





# Turkey raises deficit doubts in late budget

By John Barham in Ankara

Turkey's parliament yesterday approved the 1996 budget which calls for a deficit equivalent to about a quarter of spending, or about 7 per cent of gross domestic product. However, many economists and market analysts still warn that the government's targets for spending, inflation and tax receipts are over-optimistic and expect the budget deficit to be larger still.

The budget - delayed by elections at the end of last year - calls for spending equivalent to about \$42.7bn at this year's projected average exchange rate, and puts the budget deficit at about \$11.7bn. But some financial analysts warn the deficit could reach \$17bn, possibly destabilising the economy by accelerating inflation which is already running at 79 per cent a year. The budget is based on an inflation forecast of 65 per cent against market expectations of about 80-85 per cent.

Mr Atilla Yesilada, director of research at Istanbul's Global Securities brokerage, said meeting these targets would involve among other things "a government plan to reform the tax system or cutting down on tax cheats. I think it is totally illusory." Tax revenues are budgeted at two-thirds of spending.

He added that the \$18bn equivalent allocated for interest payments on the government's burgeoning domestic debt may also prove insufficient. Mr Yesilada said: "Based on our estimates, budget allocations for the domestic debt alone will be exhausted by the third quarter." Interest pay-

ments on the \$27.02bn domestic debt are already the largest item in the budget, taking up nearly half of all projected spending.

Some analysts fear that a domestic debt crisis could trigger either hyperinflation, as the treasury loses financial markets' confidence, or force the government to impose a traumatic unilateral rescheduling on bond holders.

The government yesterday appointed Mr Mehmet Kaymaz, an economics professor and head of the State Institute of Statistics, as the new treasury under-secretary responsible for controlling spending. Although he is respected as an able technocrat, markets worry about his ability to resist demands for money.

However, the new conservative coalition government of Mr Mesut Yilmaz has won plaudits from some economists for drafting a somewhat more realistic budget than his predecessor, Mrs Tansu Ciller, with whom he now shares power.

One analyst said: "The key issue is confidence. Yilmaz is perceived as more reliable than Ciller, so if he can stick more or less to the budget, financial markets should keep interest rates where they are, at about 100 per cent a year, and inflation should remain stable." This means that the interest portion of the budget could remain on target.

Still, this would require further reforms of the bankrupt social security system which is the second largest contributor to the deficit after interest payments. However, structural reform of the system may be difficult since the government is 15 seats short of a majority.

# The old ways may devalue Albania poll

Albania, the poorest and most isolated country in Europe under the dictatorship of Enver Hoxha, is embroiled in an election contest which reveals the power of old ways and the obstacles hindering multi-party democracy after centuries of poverty and authoritarian rule.

Four years after leading his Democratic party to victory over the former Communists in the March 1992 elections, Mr Sali Berisha, the powerful Albanian president, is seeking to prevent Albania from following the pattern established in several other post-Communist societies.

He is calling on voters to back the Democratic party in the May 26 poll and stop Albania from falling back into the hands of a Socialist party he reviles as a renamed version of the Communist party that terrified Albanians for more than 45 years.

While the president warns that a Socialist victory would divert Albania from the path of democratic reforms and European integration, the Socialists and other opposition parties accuse Mr Berisha of abusing his office and manipulating laws targeting former Communists to attack opponents in an undemocratic manner.

Political tensions flared earlier this month when 35 Socialist party members and several

other leading opposition figures were banned from running for election by a government-appointed "verification" commission. The commission was set up to enforce the so-called "genocide law" of September 1995 preventing former senior Communist officials and collaborators from seeking elected office. The law, in practice, is being applied in a highly selective way.

The ban affected the Socialist party's general secretary, Mr Gramoz Ruci, and Mr Servet Palumbi, its vice-chairman. The Socialists point out that the Democratic party is as full of former Communist party members as their own party. The president himself was a privileged heart surgeon under the old regime and treated senior officials, including Hoxha himself.

The Socialist party, with its most charismatic leader, Mr Fatos Nano, already in jail, says that disqualification is an act of political vengeance by President Berisha and an attempt to wipe out the opposition. They also attack recent amendments to the electoral law, which make it more difficult for smaller parties to enter parliament, and 1995 reforms placing polling stations under the control of government-appointed prefects.

The Socialists have been the main opposition since the Dem-

Albanian elections: strong words



President Sali Berisha: reviles the Socialist party as Communists under a different name; the Socialists accuse him of abusing power by manipulating laws to attack them.

Parliament: election results 1992

Party	Percentage of votes	Number of seats
Democratic party	62.7	62.7
Socialist party	25.7	25.7
Social Democratic party	7.4	7.4
Party of Union of Human Rights (former Greek party)	2.2	2.2
Republican party	1.3	1.3
Others	1.6%	(no seats)

ocrats swept to power with a 62 per cent majority in the second democratic elections of March 1992. They have since regained popularity, rallying around Mr Nano who was imprisoned in July 1993 on questionable corruption charges.

The Socialists also complain about a redefined electoral map which they say gives an unfair advantage to the Democratic party, supported by the largely state-controlled media. Despite these handicaps the Socialists predict that they will win 82 out of 115 electoral districts in a reaction against Mr Berisha's authoritarian style. But the opposition remains relatively weak and divided while economic reforms, backed by

large-scale foreign aid and emigrant remittances, have raised consumption levels and the "feel-good" factor among voters.

Further economic and legal reforms are needed, however, to attract the productive investment needed to underpin the rather superficial economic recovery. This has already filled shops and markets with imported goods, fuelled a construction boom and led to a resurgence of growth and sharply higher agricultural production from thousands of small farms.

But freeing up the economy and society has also triggered off a potentially destabilising influx from the mountainous hinterland to overcrowded and insanitary shanty towns on the fringes of the cities. Corruption also remains a big problem in local and central government.

The collapse of the old system has raised unemployment and reduced the already low value of payments to pensioners - whose votes the Socialists hope will help bring them victory.

The Democratic party's main strength is the support for Mr Berisha who continues to build up his personal power despite the embarrassing failure of a constitutional referendum in 1994 which sought to legitimise a powerful executive presidency. The party is campaign-

ing on its four-year record of reforms, interlaced with attacks on the opposition as potential wreckers of all that has been achieved.

Meanwhile, two smaller parties, the Social Democrats and the Democratic Alliance, have formed a coalition to capture middle-of-the-road voters.

They also plan a link-up with the Socialists after the elections. Last week, six Democratic Alliance candidates were disqualified along with Mr Skender Gjinushi, chairman of the Social Democratic party, who was a Communist minister of education. Mr Berisha attacks this putative coalition as a "Red Front" and has encouraged various rightwing groups to create a "Democratic Union" to fight against it.

Next month's polling will take place under the eye of international monitors. But the Socialists allege that free elections have already been jeopardised.

The next few weeks will show whether the last four years have been enough to sow the seeds of a gentler political culture where the government respects the rights of the opposition, and opponents can face the prospect of electoral defeat as only a temporary setback.

Marianne Sullivan and Anthony Robinson

# Turks protest as Greeks fire on fishing boat

By John Barham

Turkey yesterday protested to Greece over an incident off the southern Turkish coast in which a Greek coastguard vessel fired on a fishing boat, injuring its skipper and reviving fears that the incident could lead to a new confrontation between the two countries.

Turkey's Foreign Ministry protested that the Greek coastguard "opened fire in Turkish territorial waters and wounded a Turkish citizen".

"The problems between Turkey and Greece are sensitive and complex. People should act cautiously and a dialogue between the two countries should start as soon as possible," the ministry said.

However, the Greek embassy rejected Turkey's account of the incident, in which Mr Alihan Gengul, skipper of the fishing boat Derya, was wounded in the legs. It claimed he had landed eight Iraqi illegal immigrants on the Greek island of Strongyli. The embassy added that the coastguard only fired after the fishing boat ignored warning shots and that it was hit by mistake in bad visibility.

Turkey is one of the principal channels for illegal immigrants, especially Turkish and Iraqi Kurds, attempting to enter western Europe. They are transported through Turkey and into Greece through its poorly-guarded Aegean and Mediterranean islands.

Relations between the two countries deteriorated sharply in January when they were on the brink of conflict over two small uninhabited Aegean islands claimed by both countries. Conflict was only averted after US mediation led by President Bill Clinton.

Greece has since held up European Union financial aid for Turkey in protest. Turkey and Greece are Nato allies, but have gone to the brink of war several times in recent years over control of the Aegean sea and the division of Cyprus following Turkey's 1974 invasion.

However, Mr Dimitrios Nezeritis, Greek ambassador to Ankara, said he saw no reason why a planned meeting in Bucharest on Saturday between the two countries' foreign ministers should be affected. Mr Mesut Yilmaz, Turkey's prime minister, in March offered unconditional talks on resolving its disputes with Greece in the hope of unlocking EU aid.

# Mitterrand has his say at last

By Andrew Jack in Paris

Francois Mitterrand's two-volume version of his contribution to history goes on sale today with an initial print run of 200,000 copies.

The two books, one called *Interrupted Memoirs* and the other *Of Germany, Of France*, were the late French Socialist president's response to a large number of more or less critical books assessing his life published with increasing intensity over the last few years.

They cover his views on the war years until the end of the 1960s, and his views on Germany and its unification after the collapse of communism in eastern Europe.

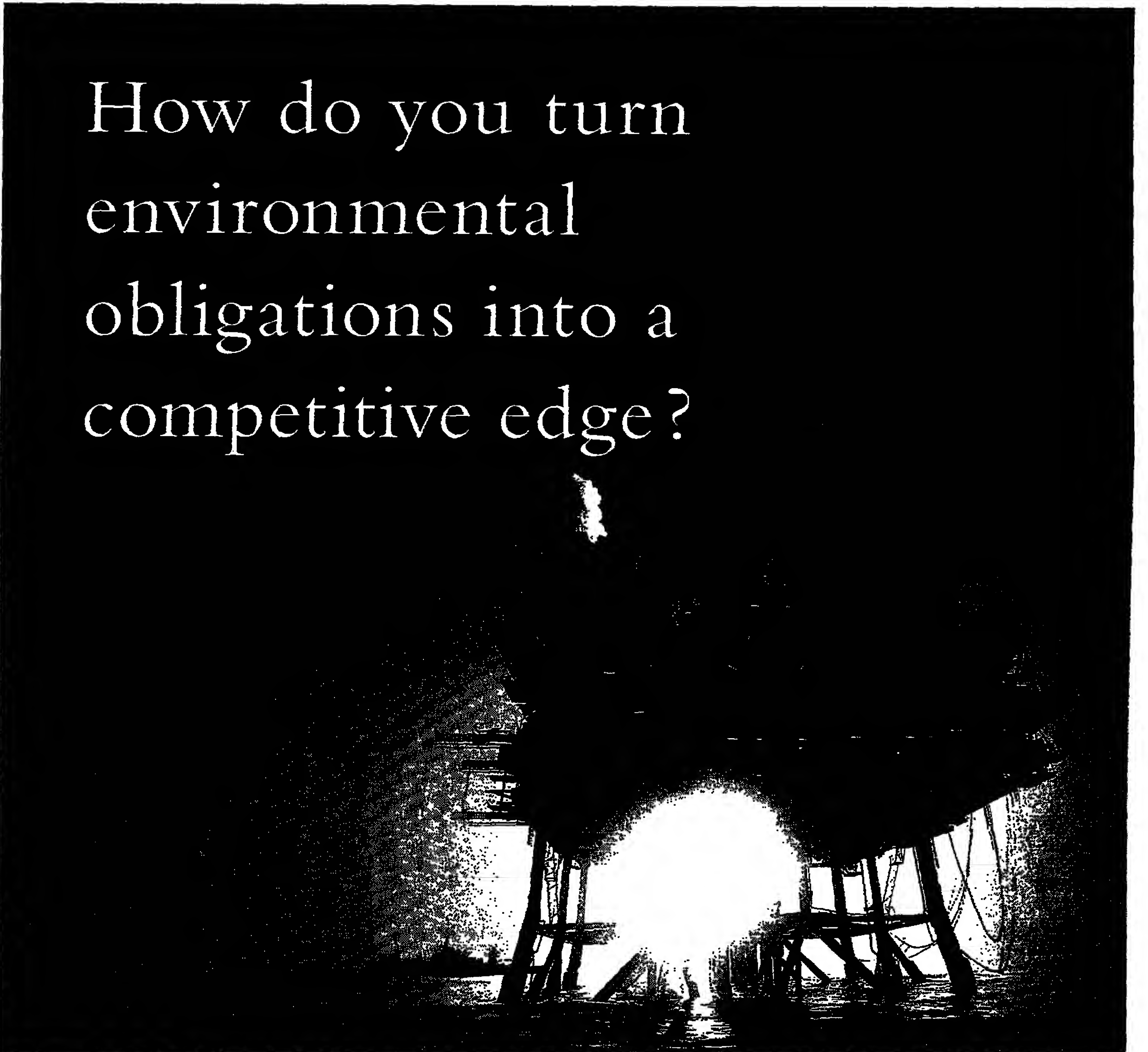
Mitterrand worked on the texts intensively between handing over power to President Jacques Chirac last May until the day before his death in January, writing final extracts during his annual visit to Karnak in Egypt at the

New Year and correcting drafts in the following days.

After a huge initial flurry of attention paid to the former president in the wake of his death, public references to Mitterrand have begun to wane in the last few weeks. Nevertheless, the market for "Mitterrandiana" appears to remain strong.

Dr Francois Gubler, his surgeon, provoked huge controversy and a ban on his book two days after publishing *The Great Secret*, in which he claimed the former president concealed a diagnosis for cancer from as early as 1981, and during his last few months in office was too pre-occupied with his illness to carry out his official duties.

Mrs Danielle Mitterrand, his widow, recently released her own memoirs, which have sold well. Other more critical books are also selling, including one attributed to his pet dog, Batic.



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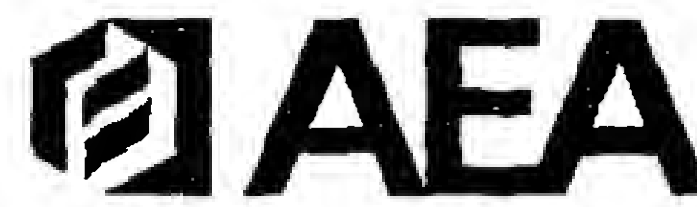
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NEWS: WORLD TRADE

Pact on Caspian pipeline shares

By Sander Thoenes in Alma Ata
Chevron and Mobil of the US have reached preliminary agreement with Russia, Kazakhstan, Oman and six other oil companies on equity shares in the construction of a pipeline to unlock the oil reserves of the Caspian Sea basin.

British Gas ruled out of country's first LPG project as Vietnam shortlists BP and Enron
Hanoi blow to gas supply project

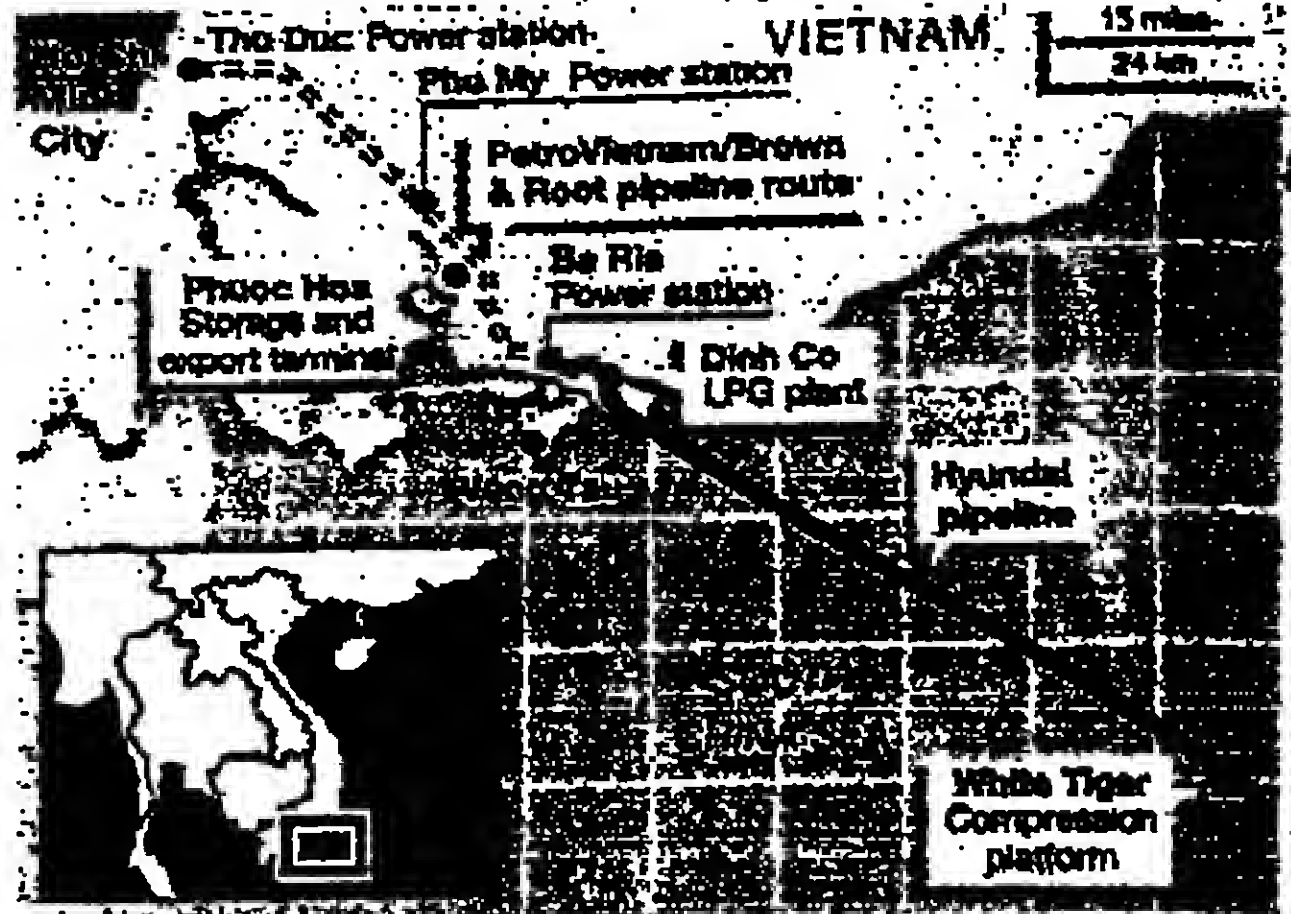
By Jeremy Grant in Hanoi

Vietnam has shortlisted British Petroleum and Enron of the US for investment in a \$160m liquefied petroleum gas (LPG) project near Ho Chi Minh City, dealing a blow to PetroVietnam, the state oil agency, to British Gas, Petrosas, the Malaysian state company, Conoco and Panhandle Energy of the US, said it had rejected their proposals for the LPG plant.

found offshore. The World Bank predicts electricity demand, currently 2,300MW annually, will grow at 14 per cent a year until 2000.
This "fast track" plan was designed to tap gas found offshore in the Bach Ho (White Tiger) field to feed a series of power stations near Ho Chi Minh City by 1997.

It had proposed in 1994. This "fast track" plan was designed to tap gas found offshore in the Bach Ho (White Tiger) field to feed a series of power stations near Ho Chi Minh City by 1997.

offshore pipeline. This has been finished and supplies gas to the Ba Ria power station.
Vo Van Kiet, Vietnam's prime minister, said last year that he would like to see gas at White Tiger used to fire turbines at Phu My 2 power station, which will be the biggest in the south with a capacity of 900MW.



chosen to go through a lengthy bidding process for the LPG plant and storage facility means neither is likely to be ready in time for the commissioning of the offshore gas platform in May 1997.

Brittan warns on Jakarta's policy for national car

By Manuela Saragosa in Jakarta

Indonesia's policy to develop a "national" car, a move which has advantages established for sign investors, is "objectionable" and will "drive away future investment", Sir Leon Brittan, European Union trade commissioner, said yesterday.

ments under an incentive scheme that provides tariff relief for producers who use Indonesian-made parts.
Despite policies in the car sector which go against the country's general trend of economic deregulation, Sir Leon noted that Indonesia was an influential country and its support for the WTO's accord to liberalise the telecoms market was important.

Record net profits of \$5.2bn, but growth in capacity outstripping passenger demand
Iata chief warns on new aircraft orders

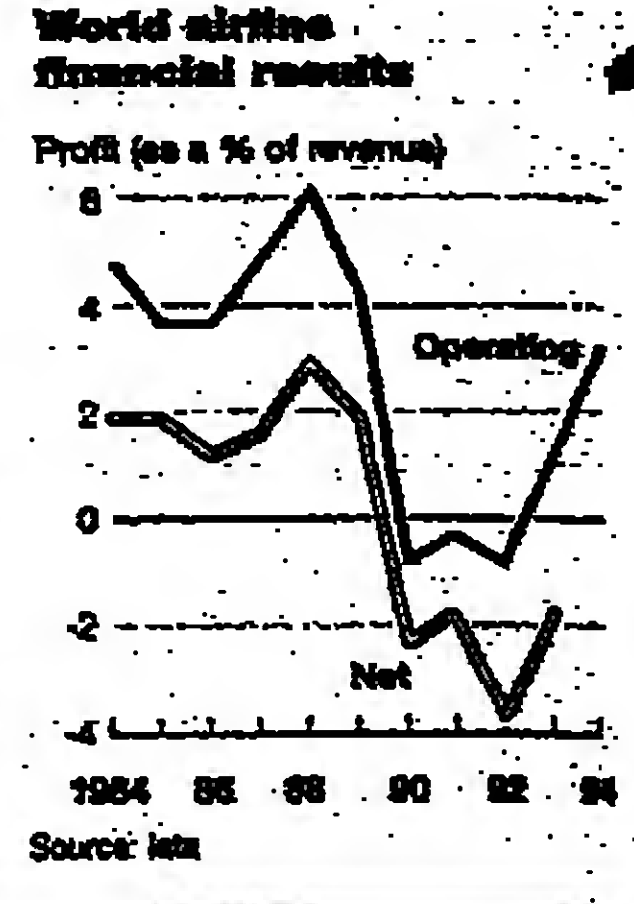
By Michael Skapinker, Aerospace Correspondent

The International Air Transport Association yesterday said its members made record net profits last year of \$5.2bn but warned that growth in aircraft capacity was outstripping passenger demand.
Mr Pierre Jeannot, Iata director general, said airline profits on international scheduled services would continue to grow this year to \$6bn.

ference in New York that last year's net profit was achieved on revenues of \$129.6bn, producing a profit margin of 4 per cent.
This compared with the 1994 net profit of \$1.6bn, which represented 1.4 per cent of revenue. He expected 1996 net profits of \$6bn to be 4.3 per cent of revenue.

ordered more aircraft than could be justified by the rise in demand.
Yields, or the amount airlines earn for each mile they transport each passenger, increased by 3 per cent last year, while unit costs rose 0.5 per cent.

after the recession of the early 1990s. He expected traffic to grow by 8.1 per cent this year against a capacity increase of 8.6 per cent.
Airlines ordered 714 aircraft last year, against 361 in 1994. "Aircraft manufacturing lead times have shortened during the past three years and prices have never been keener. But let's pray that most of those aircraft arrive before the next recession," Mr Jeannot said.



Indonesia has already opened up its telecoms market to foreign investment, but has yet to offer to sign up for the WTO's international accord on the sector.
Sir Leon said he had floated a "standstill" agreement with Indonesian ministers under which Jakarta would agree not to backtrack on any measures taken in opening the telecoms market. They had "nothing to lose by signalling they would stick to a policy of openness [in the telecoms sector]."

Mr Jeannot warned airlines last year that profits would begin to fall again if they ordered more aircraft than could be justified by the rise in demand.
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World drug sales get off to fast start

pharmaceuticals industry market researchers.
January's sales were compared with an unusual winter in Japan a year ago. A heavy cold and flu season, and weather conditions that increased the levels of cedar pollen, led to big sales of anti-infectives and respiratory drugs. By comparison, Japanese sales of anti-infective drugs fell 40 per cent in January 1995 to \$28bn, with respiratory drug sales down 18 per cent at \$14bn.

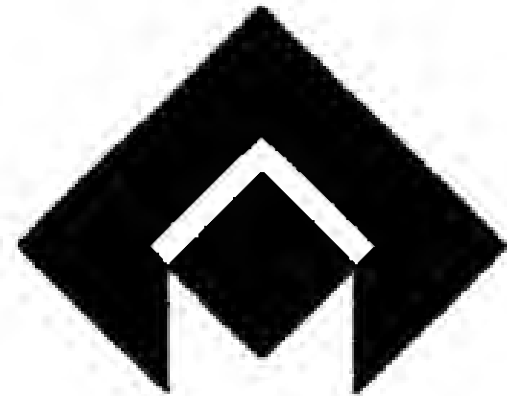
sales in Japan, the world's second biggest market, by 7 per cent to \$1.66bn for the month.
The US remained the world's biggest market, with sales of \$4.72bn, an increase of 14 per cent on January 1995.
The best performing sectors were nervous system drugs, including Prozac, the anti-depressant made by Eli Lilly of the US, and blood agents, including cholesterol-lowering drugs such as those from Merck of the US and Sandoz of Switzerland.

\$546m, boosted by 44 per cent growth in the sales of blood agents, many of which have been launched recently.
By medical area, blood agents led the way, with world sales up 19 per cent to \$683m, powered by US growth. The decline in anti-infectives sales in Japan led to a worldwide slowdown, with sales down 3 per cent to \$1,259bn.

IMS has also published data on the fastest growing medical areas for drugs companies, suggesting last year's trends are continuing.

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World pharmacy drug purchases January 1996 in US dollars (m)

Table showing world pharmacy drug purchases in January 1996 across various countries including USA, Germany, France, Italy, UK, Spain, Canada, Netherlands, and Belgium. It lists categories like Cardiovascular, Alimentary/Metabolism, Central Nervous System, etc., and their respective sales values.

Top sectors

Table listing top sectors such as Therapy, Nasal preparations, Psychonectics, and Anti-epileptics, along with their percentage growth in 1994/5.

INTERNATIONAL ECONOMIC INDICATORS: PRICES AND COMPETITIVENESS

Large table of international economic indicators showing prices and competitiveness for the US, Japan, Germany, France, Italy, and the UK. It includes columns for consumer prices, producer prices, earnings, unit labor costs, and real exchange rates for various years and quarters.

Statistics for Germany apply only to western Germany. Data supplied by Datascram and WEA from national government and IMF sources. Real exchange rate is not seasonally adjusted. Producer prices: not seasonally adjusted. US - finished goods, Japan - manufactured goods, Germany - industrial products, France - intermediate goods, Italy - total producer prices, UK - manufactured products. Earnings index: not seasonally adjusted, refers to earnings in manufacturing except France and Italy (average rates in industry). Hourly wages: Japan (monthly) and UK (weekly). Unit labor costs: seasonally adjusted, refers to earnings in manufacturing except France and Italy (average rates in industry). Real exchange rate: JP Morgan real effective exchange rate index versus 18 industrial country currencies, adjusted for change in real wholesale price of domestic manufactures. A fall in the index indicates improved international competitiveness.

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# Why Cyprus ?

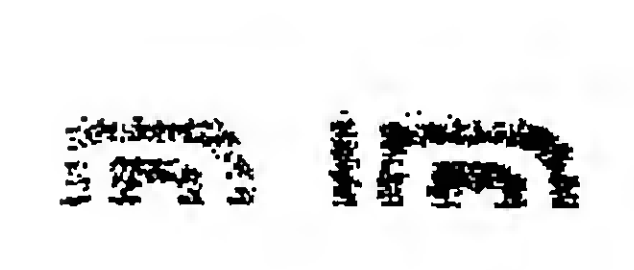
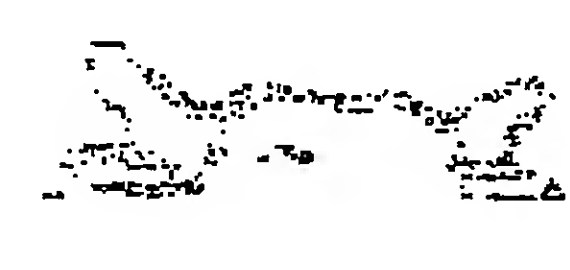
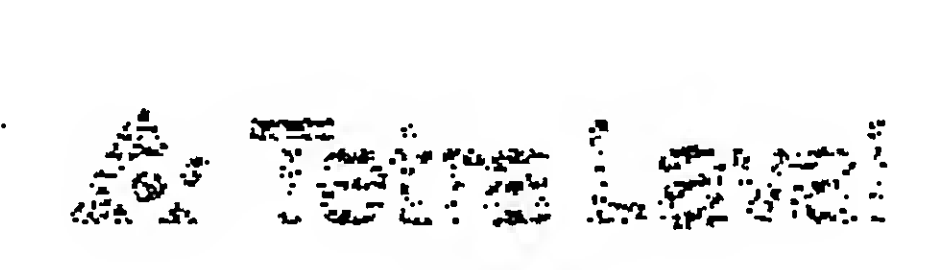
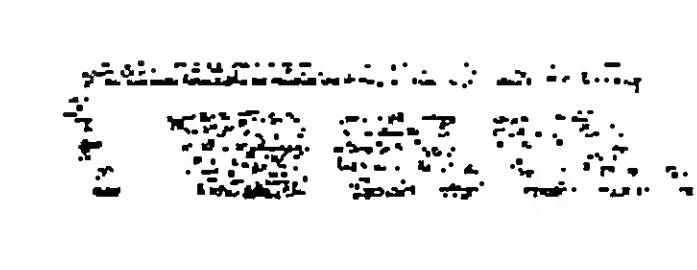
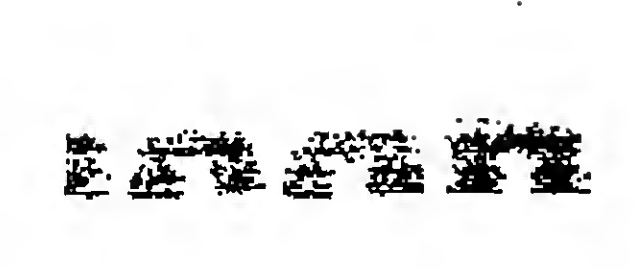
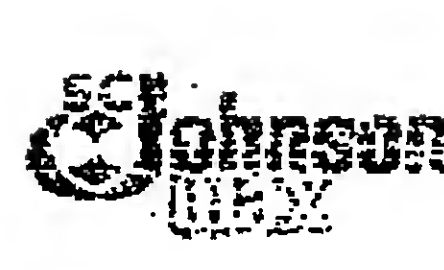
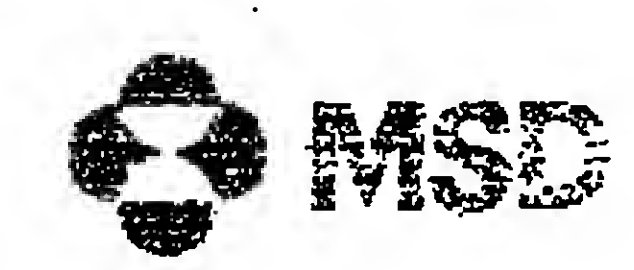
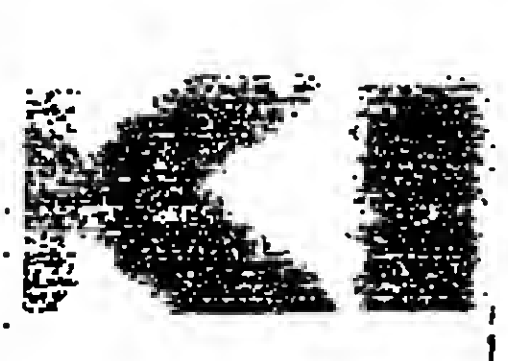
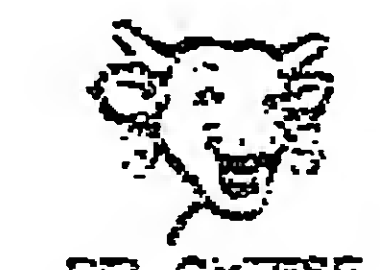
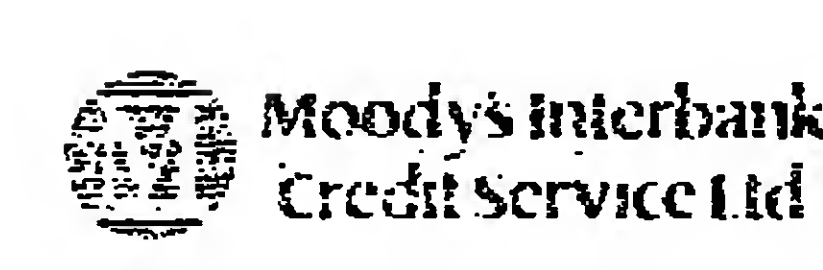
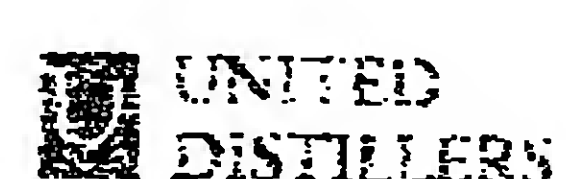
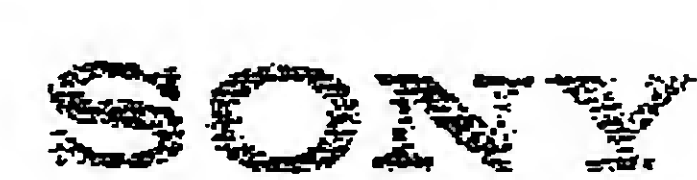
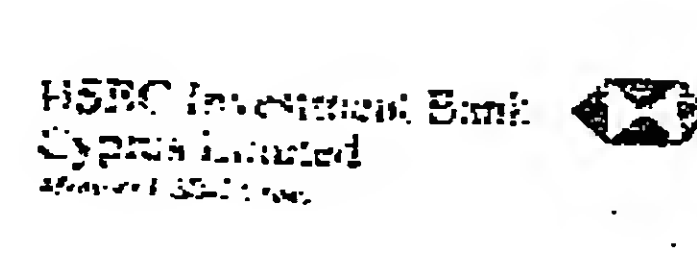
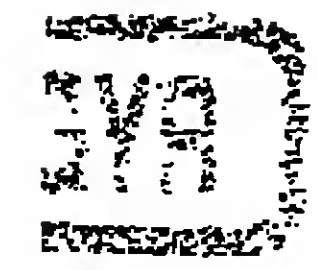
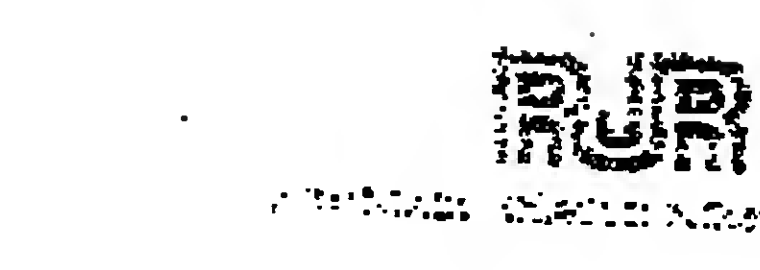
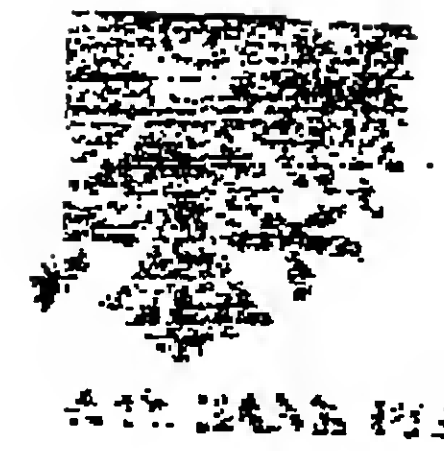
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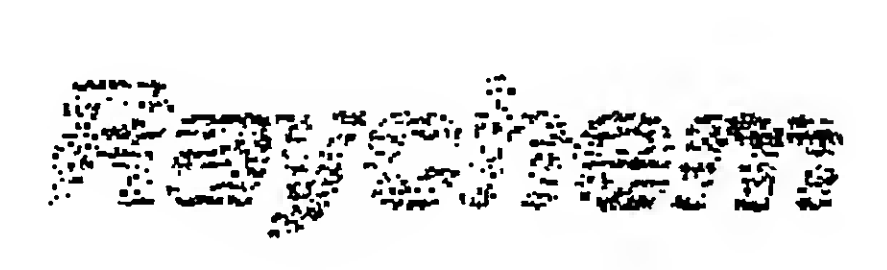
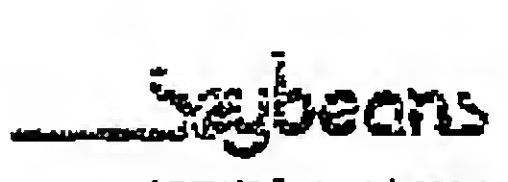
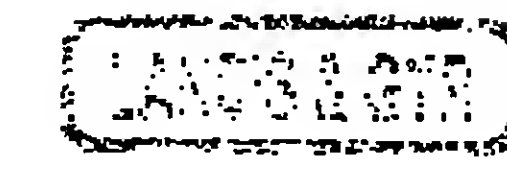
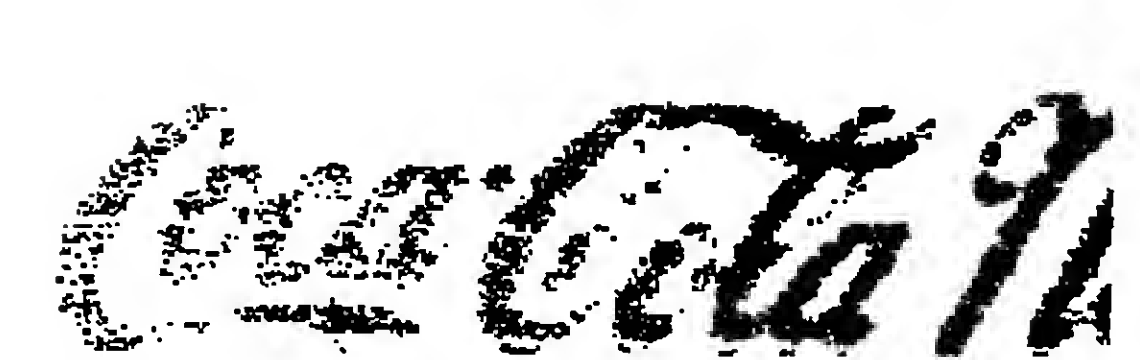
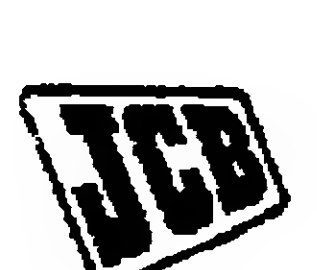


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 International Division  
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NEWS: ASIA-PACIFIC

ASIA-PACIFIC NEWS DIGEST

Japan spending recovers slowly

Further evidence of a modest recovery in Japanese consumer confidence emerged yesterday with a 3.2 per cent year-on-year rise in household spending in February, the second monthly increase in a row.

China M2 up 28.4% in quarter

China's broad M2 money supply grew steadily in the first quarter as banks eased credit, prompting economists to warn of renewed inflationary pressure next year.

Japan shoppers start complaining

Japan's timid consumers have shed some of their bashfulness and come forward in record numbers to complain about defective goods, but it is still extraordinarily hard to get compensation.

South Korea unveils warship plan

South Korea's Defence Ministry yesterday said it planned to build the first in a new class of 4,000-tonne destroyers under its "KDX-II" project.

Economists hopeful on Australia

Private sector economists have raised their expectations for Australian growth after the country's recent election, according to Consensus Economics, which monitors forecasts from leading banks and other financial institutions.

Manila to double infrastructure spending

By Edward Luce in Manila

The Philippine government is to double spending on infrastructure next year but cut funding for the social sector, to keep the budget in surplus for the fourth consecutive year, it said yesterday.

By scaling back expenditure on traditional poverty alleviation schemes and other social projects, the government would make room for higher spending on infrastructure and send an unmistakably anti-populist message to the electorate, officials stated.

The draft budget, which increases spending by 11 per cent to 476bn pesos (\$18.2bn) next year assuming gross national product growth of 7 per cent, would almost double spending on infrastructure to 76bn pesos.

Infrastructure bottlenecks, notably in transport and water, are considered to be constraints on the country's structural growth potential. Last year Philippine GNP grew by 5.7 per cent.

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year rated the Philippines at one notch below investment grade, but are scheduled to review the ratings over the next two months.

US set to press China on N-trade

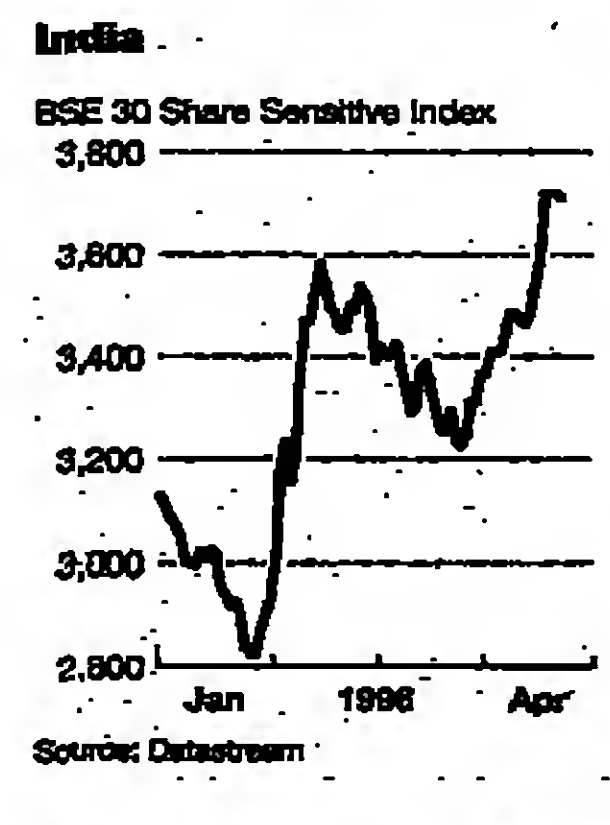
By Nancy Dunne in Washington

The US administration will this week thrust out its next moves in pushing China for greater protection of intellectual property rights and curbs on nuclear technology trade.

India pundits bullish on post-poll outlook

Strong growth is expected, writes Mark Nicholson

Indian financiers and foreign investors say they are bullish about the country's economic and investment prospects after elections which begin next weekend, even if India's least predictable poll in years returns a hung parliament and weak government.



Foreign institutional investors expect inflows to reach \$4bn over this calendar year. Foreign investors have already accounted for 40 per cent of all settled deals on the Bombay market since January.

Taiwan starts early warning for bad loans

By Laura Tyson in Taipei

Taiwan's finance ministry has ordered local ad hoc committees to monitor troubled financial institutions in their districts.

financial institutions have problems with internal controls," said Mr Sean Chen, director of the finance ministry's bureau of monetary affairs.

Most predict that a strongly buoyant stock market will see bigger inflows of foreign portfolio investment than ever, that corporate profits and industrial growth will continue at healthy levels, and - barring the unlikely election of a majority leftist government - important structural reforms will continue, albeit piecemeal and slowly.

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Almost \$1bn of foreign funds has flowed into India since January, nearly the total of 1995

Foreign portfolio investors are already anticipating relatively good news. The Bombay market rose more than 200 points last week to close above 3,700 points, pushed by large inflows from foreign, mostly US, institutions anticipating a post-poll rally.

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The move is designed to prevent the kind of financial crises that has dogged Taiwan's larger neighbour, Japan. Indeed, Taiwanese are fond of describing their country as a "mini-Japan", many things which happen to Japan sooner or later seem to happen to Taiwan too.

Part of the difficulty in addressing the problem of lax internal controls stems from the fact that responsibility for monitoring and examining financial institutions is spread among several government agencies.

Bad debts had risen to a historic high of 3.1 per cent of total loans outstanding at the end of last year.

Currently, the central bank is responsible for examining the state-run banks and other older banks while the finance ministry is responsible for the 18 new private banks founded in the early 1990s, trust companies and foreign bank branches.

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Funds shortage focuses minds at ADB

The bank's soft loan division may dry up before it is replenished, writes Edward Luce

Officials at the Asian Development Bank's sleek Manila headquarters are experiencing the beginnings of what could be described as a collective headache.

Amid preparations for the bank's annual meeting next week, most minds are focusing on the parallel donors' meeting in Manila this Sunday.

For the first time in the ADB's 29-year existence, the multilateral bank's soft loan division - the Asian Development Fund (ADF) - is in danger of running dry before it is replenished.

The traditional donors say it is time for the "tigers" to put up their money.

The OECD countries are understandably saying that the richer Asian economies will disproportionately benefit from the increased wealth in the region from ADF lending and should therefore contribute more," said Mr Shoji Nishimoto, chief of strategy and policy at the ADB.

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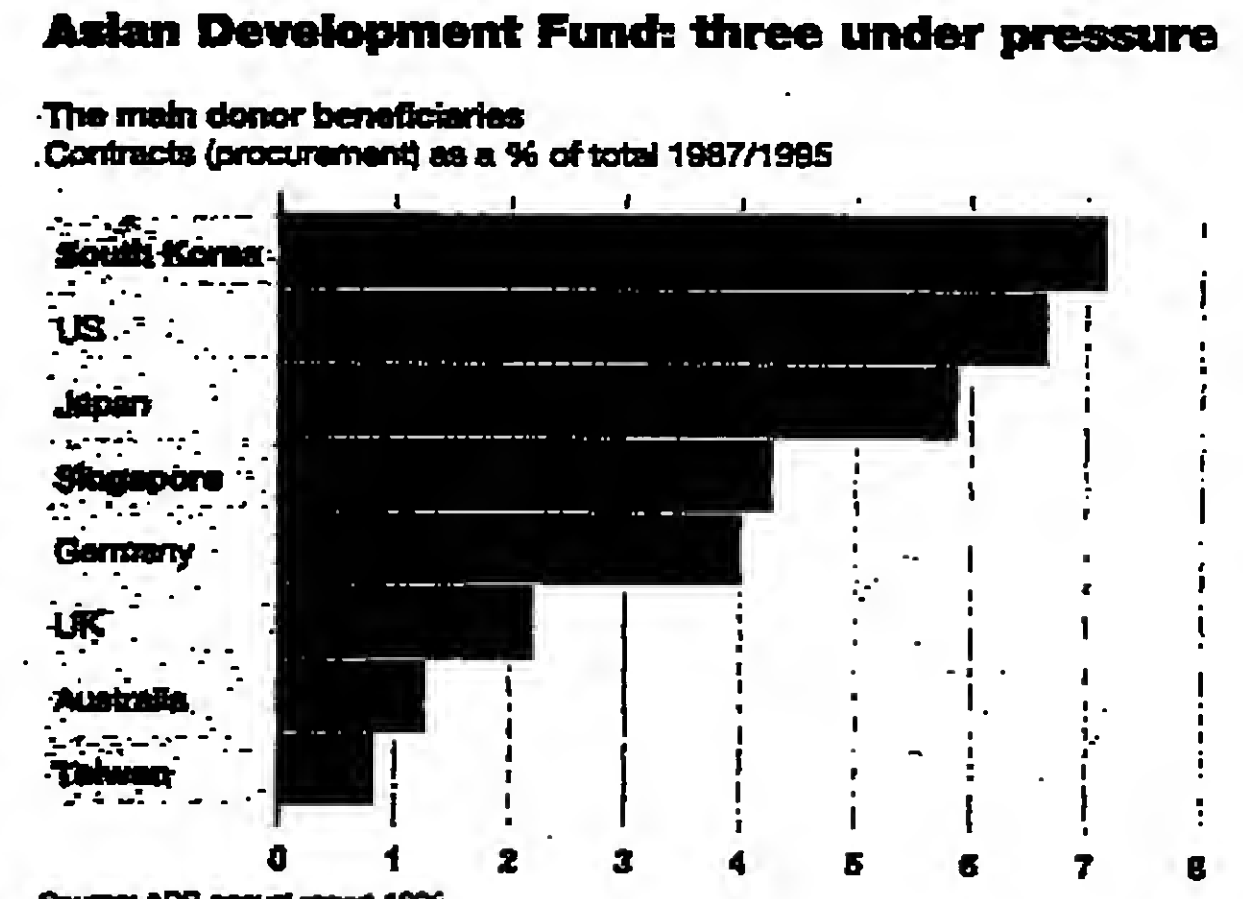
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But politicians in Seoul have an axe of their own to grind. South Korea, which is negotiating entry into the OECD, wants the ADB formally to recognise its economic achievements by granting it extra voting rights in the multilateral bank.

At 5.3 per cent share of the bank's ordinary capital subscription, South Korea is below Canada at 5.5 per cent and Australia at 6 per cent and well behind China and India, which rank third and fourth after Japan and the US.

South Korea and Taiwan, however, are seeking specific political rewards for donating substantially more to the ADF in 1996 (they donated just \$15m apiece last time).

In the case of Taiwan, which for political reasons is known as Taipei, China at the ADB, the link is seen as unacceptably controversial.

The Taiwanese have offered to donate a large sum to the ADF if the comma - which is taken to mean that Taipei is not the rightful voice of China - is removed from its title.

South Korea, which has linked an increase in voting rights to a "drastic" improvement in its ADF contributions, is, like Taiwan, almost certain to be disappointed because of objections from other Asian subscribers who do not want to see their ordinary share capital diluted.

At this point I see no real solution to the impasse," said a European director at the ADB. "The Americans are not going to honour their debts in time, and the others will be extremely reluctant to contribute to the new ADF without the US arrears having been cleared."

Adding to the complication, the US and others are putting pressure on the newly industrialising countries - notably Singapore, South Korea and Taiwan - to contribute heavily to the seventh ADF which it is hoped will raise substantially more than the \$4.2bn pledged in 1992.

The traditional donors say it is time for the "tigers" to put up their money. "The OECD countries are understandably saying that the richer Asian economies will disproportionately benefit from the increased wealth in the region from ADF lending and should therefore contribute more," said Mr Shoji Nishimoto, chief of strategy and policy at the ADB.

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Handwritten Arabic text: سكتة من الأصل

Move to weaken resistance to limited sales for financing debt relief

# UK backs formal 'ringfence' for most IMF gold reserves

By Robert Chote, Economics Editor, in Washington

Mr Kenneth Clarke, the UK chancellor, yesterday backed the idea of formally "ringfencing" most of the International Monetary Fund's gold reserves in order to weaken resistance to proposals for limited sales of gold to finance debt relief for poor countries.

Mr Clarke was responding to a proposal by Mr Philippe Maystadt, the Belgian finance minister, to amend the IMF's articles of agreement by inserting a strict limit on gold sales. Mr Maystadt hopes this will allay the fears of countries like Germany that using limited

gold sales to pay for the extension of the IMF's soft-loan facility for poor countries might set an undesirable precedent.

"If I understood it correctly as a way to reduce the resistance to gold sales then of course I would support it," Mr Clarke said.

Senior UK Treasury officials noted that there were less dramatic ways to ringfence the gold, perhaps through a declaration by the Fund's policy-making "interim" committee that no further sales would be made.

But an amendment to the articles - which would require parliamentary approval in many of the Fund's 181 mem-

ber countries - might provide worried countries with more reassurance because it would be more difficult to reverse.

The issue of gold sales was discussed at yesterday's meeting of the interim committee, which comprises finance ministers and central bank governors from 24 countries.

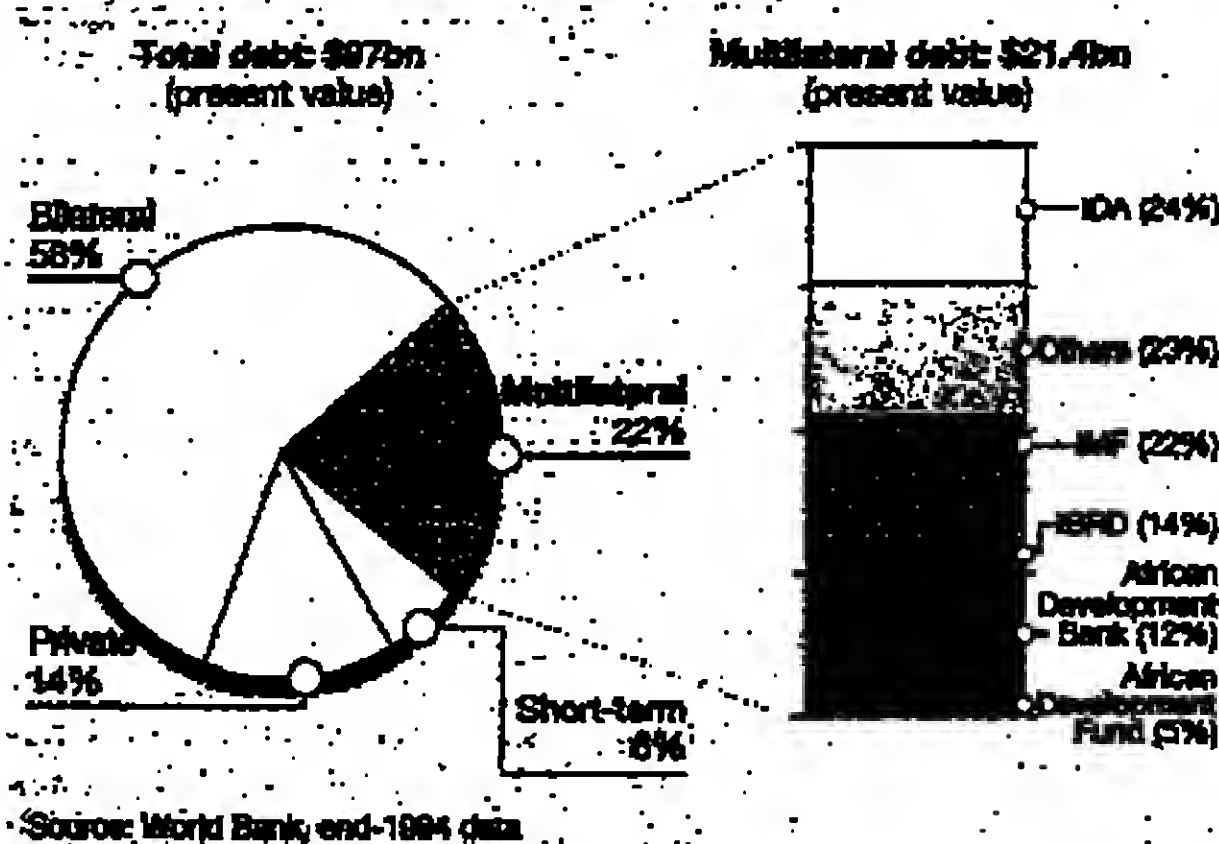
Mr Michel Camdessus, the IMF's managing director, told the committee that 5 per cent of the Fund's gold should be sold and invested to provide half the subsidy needed to put its soft-loan schemes - the extended structural adjustment facility - on to a permanent footing.

of the \$3bn subsidy required between 1999 and 2004 should come from individual government donations.

Extending the Esaf - and probably increasing the period over which its loans could be repaid - would be the Fund's contribution to its joint initiative with the World Bank to relieve debt burdens in eight to 20 of the world's poorest countries.

But a succession of G7 finance ministers told the committee that the Fund and Bank were trying to put too much of the financial burden of the initiative on creditor governments rather than financing it from their own resources.

Heavily indebted poor countries



Source: World Bank, end-1994 data

The interim committee also discussed the world economy and a report by Mr Camdessus on the conduct of member countries' national economic policies over the past year. Mr Maystadt suggested that the "Madrid declaration" - the economic policy statement drawn up by the interim committee at the Fund's annual meeting in 1994 - should be updated in the

autumn, perhaps to place more emphasis on the requirements for sound policies in developing countries. The committee agreed that tackling budget deficits remained a key objective for most members, as did the removal of labour market rigidities and other structural impediments to non-inflationary growth.

INTERNATIONAL NEWS DIGEST

## IMF focus on Russia, Mexico

By the end of next year almost half the International Monetary Fund's outstanding lending will be to Russia and Mexico alone, raising fears that the risks in the Fund's portfolio are becoming too concentrated.

The Fund's financial situation was discussed at yesterday's meeting of its key "interim" committee of finance ministers and central bank governors. But some of the Fund's executive directors have already told their ministers that they are worried by the trends in the Fund's finances.

One national director pointed out that the Fund's five largest debtors already accounted for more than 60 per cent of its outstanding credits and that this proportion would rise to 70 per cent by the end of next year. By then Mexico and Russia alone will account for 49 per cent of outstanding credits.

He added that the Fund's liquidity ratio - the extent to which its liquid liabilities are covered by uncommitted usable resources - was also deteriorating. From a peak of nearly 170 per cent in late 1994, the ratio is forecast to decline to 61 per cent by the end of next year - below the long term average of 70 per cent. Use of Fund general resources is meanwhile predicted to grow from around \$39bn at the end of 1994 to \$63bn at the end of 1997.

Robert Chote, Washington

## Four confess to Saudi bombing

Four Saudis yesterday confessed on state television to last year's car bombing of a US-run military training centre in Riyadh and said they had been planning further attacks. In confessions broadcast shortly after Prince Nayef, interior minister, announced their arrest, they said they were influenced by Islamic groups outside the kingdom. It was not clear when they were arrested.

The four gave almost identical confessions on their role in the November 13 bombing at the Saudi National Guard training centre, which killed five Americans and two Indians and wounded about 80. It was the worst blast involving Americans in the Middle East since the 1983 Beirut bombing killed 241 US servicemen.

The four said they had fought in Afghanistan and one said he had also fought alongside Bosnian Muslims. They said they had received and been influenced by leaflets from a Saudi national who is alleged to bankroll Muslim hardline groups, as well as Islamic groups in Egypt and Algeria. Prince Nayef's statement said they would be judged according to Islamic law, which applies in the oil-rich kingdom, where the usual penalty for murder is public beheading.

Reuters, Dubai

## Aid boost for African nations

The Commonwealth Development Corporation (CDC), the UK government's official development institution, is to concentrate its efforts on poorer countries, particularly those in Africa, it said in its annual report yesterday. The corporation, whose aim is to contribute to economic development by investing in and supporting sound business enterprises, said new investments were up 15 per cent to \$414m, of which 47 per cent was in sub-Saharan Africa.

Lord Cairns, chairman, said spending in the region would continue to rise. "The number of private-sector investors prepared to put money into Africa remains small," but "Africa attracts us because countries have opened up their economies to become market-driven."

Zambia received the biggest share of funds approved in 1995. About \$53.2m was spent there; CDC helped with the flotation of Chilanga Cement on the Lusaka Stock Exchange.

Joel Ebbaco, London

## EU finds common Mideast strategy

By Caroline Southey, in Luxembourg

EU foreign ministers yesterday placed together a common strategy on the conflict in the Middle East, calling for a ceasefire that guaranteed the security of Israel and preserved the sovereignty of Lebanon.

The foreign ministers set aside doubts about France's go-it-alone strategy in the region as well as fears that the US was dominating the terms of a ceasefire between the warring factions. While agreeing to pursue the EU's diplomatic efforts, the ministers welcomed the role played by France as well as the US in brokering an end to the conflict.

The US and France were accused this weekend of delaying a ceasefire agreement between Israel and Lebanon because both have pursued independent diplomatic initiatives. While Israel has backed the ceasefire mission of Mr Warren Christopher, the US secretary of state, the proposals of Mr Hervé de Charette, the French foreign minister, have been endorsed by Lebanon, Syria, Iran and Hizbollah.

The EU foreign ministers avoided specifically backing either of these proposals, calling instead for a deal that was durable and did not affect the global settlement as laid out in the peace process.

"We back all who are trying to reach an agreement. The EU has not presented a plan of its own but is ready to back either of the two plans," Mrs Susanna Agnelli, the Italian foreign minister, said. Italy currently holds the EU presidency.

A number of countries, including Germany, Britain and Italy, admitted that the US was best placed to broker a peace deal. Mr Klaus Kinkel, the German foreign minister, said the US had a "bigger chance of success".

Mr Malcolm Rifkind, the British foreign secretary, said he thought the EU "should allow those who have the best prospects of acting as mediators, which at the moment is the US, to get on with the job".

He did not wish to criticise any country's contribution to efforts to secure peace, but the process should have been "properly co-ordinated from the outset".

## Israelis' pinpoint shelling creates barrier for refugees

By David Gardner in Sidon

In a high-speed car, it takes 64 seconds to cross the strip of coast road spanning the Awali river just north of Sidon. For lorries, it takes longer. Which was seemingly why the two Israeli warships lying offshore were firing salvos of shells on to the road at intervals of about a minute and a half - and then varying the timing to disabuse those running the gauntlet from thinking they could read the pattern.

The shelling of the Awali river crossing, the artery linking north and south Lebanon, was yesterday in its fifth day. It started last Thursday just after Israeli howitzers tore to shreds the UN refugee shelter at Qana, killing more than 100 people, mostly women and children. It has cut Lebanon in half, creating acute shortages of food and medicine in the South, where Israel's unrelenting air and land bombardment continues to empty shattered Shia villages.

Relief workers in Sidon say last Thursday's massacres at Qana and Nabatiyah triggered a new wave of refugees northwards, and that Sunday's Israeli bombing around Zahran - the junction south of Sidon linking Tyre and Nabatiyah, where Israeli bombers destroyed Lebanon's main refinery in 1978 - set off yet another wave. But unlike most of the 400,000 refugees who poured northwards when Israel began its onslaught on April 11, those now in flight cannot get beyond the Awali river, and relief convoys are being prevented from getting to them by the naval bombardment. The Lebanese army is building a pontoon bridge across the river further upstream. But Israel has blockaded the ports of Sidon and Tyre and, for the moment, there is no other heavy transport link but the Awali crossing. Hizbollah, the Shia militia fighting Israel's 18-year occupation of south Lebanon, by contrast, does not need the coastal highway. It shifts its supplies - including the obsolete Katyusha rockets it is firing into northern Israel - through the Syrian-controlled Bekaa valley to the east.

North of the crossing, a convoy of Lebanese army trucks carrying blankets and foam mattresses, milk powder and corned beef, was stuck. After more than an hour, the lorries made it one by one, with only one jeep written off, crashing because of the dangerous speed on the pocked road.

The shelling is not conventionally indiscriminate. Clearly marked Lebanese army and UN vehicles are fired on, and the shelling does not stop when Red Cross/Red Crescent lorries pass. The Israeli navy, however, using low calibre shells, is very accurate, hitting the beach-side lip of the road, then the other side, and every so often landing a few in the middle. The psychological effect is impressive. By mid-afternoon, the Israelis were doing the same to the coastal road further north, just south of Beirut airport.

In Sidon itself, refugees are still streaming in. Behind the town hall, 77 of the Qana massacre victims lie in refrigerated trucks, awaiting burial. In front of the town hall is the roundabout with the rusting

trellis frame from which Israeli collaborators were hanged in 1985, when, under Shia militia attrition, Israel pulled back its invasion forces to the "security zone" it still occupies in the South.

Inside the town hall, volunteers have handled about 30,000 refugees in 47 centres. The lady in charge has the serenity of a mother superior, but she does not want to be identified because she is from Jezinne, inside the Israeli-occupied zone where she still has family. Despite army and relief efforts, she says, needs for outstrip supplies. "They try, but the [Lebanese] government doesn't have the means to cope. We waited all day yesterday for medicine from Beirut. And blood supplies which never got through."

"The international conscience, the American conscience, sees out of one eye. All they see are the Katyushas," the lady in charge says. "We are looking for justice for the Lebanese. This won't stop until the Americans accept that we, and the Palestinians, have the same rights as the Israelis."



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Prospective accord by Caracas with fund opens way for multilateral aid package worth more than \$3bn

# Venezuela and IMF agree loan in principle

By Raymond Collitt in Caracas

Venezuela has reached an agreement in principle with the International Monetary Fund for a \$1.4bn, 12-month, stand-by loan. Mr Michel Camdessus, IMF managing director, said in Washington yesterday that a basic agreement had been reached with Venezuela "on all the main policies of an economic programme".

The accord comes after eight months of intermittent talks and paves the way for a further loan package from the World Bank and the Inter-American Development Bank. Mr Camdessus said multilateral aid to Venezuela would top \$3bn.

Venezuela has already signed a memorandum of understanding with the IADB over a \$1bn loan package. The World Bank is to extend \$900m

in loans, half of which would come from existing but undisbursed credits, to finance social sector programmes as well as a reform of the troubled financial sector.

Minor technical details would have to be worked out but "this would not take much time", Mr Camdessus added.

Mr Luis Raul Matos Azócar, Venezuela's finance minister, and Mr Antonio Cass, central bank governor, met IMF officials including the managing director over recent days to remove the remaining stumbling blocks to an accord.

Their trip to Washington followed President Rafael Caldera's announcement last week of an economic stabilisation programme introducing market-oriented reform and intended to reduce the country's budget deficit from 6.1 to 2 per cent of GDP. As part of



Caldera: Reforms are being reluctantly accepted. Photo: Financial Times

the programme, interest rates were liberalised and petrol prices increased nearly six-fold.

The government also floated the bolivar, the national currency, yesterday, after nearly two years of tight foreign exchange controls, and elimi-

nated all restrictions on foreign currency availability. The foreign exchange board was abolished.

Within hours of being floated, the bolivar depreciated to around 500 to the dollar. The rate had been fixed at 290 since last December. "Demand is exceeding supply because few are willing to sell their dollars before they know more or less what the market rate will be," said one trader.

Central Bank authorities admitted that pent-up demand for foreign currency would cause a decline in monetary reserves, but they did not expect massive capital flight. The central bank's international monetary reserves are at about \$10bn.

The Caracas stock exchange rallied yesterday on news of the IMF accord. The Merivest composite index closed at 1932, up by 3.4 per cent from Friday's close.

According to Mr Boris Molina of the Merivest brokerage, the market would "stabilise somewhat until it becomes clearer how foreign investors will react".

Under the new foreign exchange regime, commercial banks may not charge a commission or handling fee, and set only a \$1.25 spread per dollar between the buy and sell rate.

The central government and the state oil company PDVSA, with all its subsidiaries, are required to continue selling foreign currency to the central bank. All other public entities are free to sell foreign currency in the open market.

Mr Caldera had been hesitant to implement belt-tightening measures out of fear of popular unrest.

Yet, unlike the drastic petrol price increases in 1989, which led to rioting that left hundreds of people dead, last week's measures appear to have been accepted, albeit reluctantly, by the majority of Venezuelans.

AMERICAN NEWS DIGEST

## Protest over harassment suit

Mitsubishi Motors sent employees yesterday to demonstrate against a federal agency that had filed a complaint alleging widespread sexual harassment at its US plant.

About 60 buses full of Mitsubishi employees left Normal, Illinois, in the morning to take part in the protest at the office of the US Equal Employment Opportunity Commission in Chicago, said Mr Glenn Rosecrans, a fire and security specialist for Mitsubishi. The company cancelled its two regular assembly-line shifts yesterday to let workers participate, while being paid for a day's work, he said.

The United Auto Workers union issued a statement at the weekend attacking the prospect of a company-sponsored demonstration. The union represents workers at the plant.

The commission filed a class-action suit against the company two weeks ago, after investigating complaints to it by 29 women who had filed their own lawsuit. The commission said management had turned a blind eye to "gross and shocking sexual discrimination". AP, Chicago

## Canada N-plant closure

Ontario Hydro's Pickering nuclear generating station near Toronto will be shut for about 10 days because of a flaw in a safety system. The Canadian plant has eight reactors and accounts for 20 per cent of the utility's generating capacity of about 30,000MW. The utility ruled out power shortages because spring demand is normally low and said some of the reactors could be ready for reactivation by Thursday. The flaw was found during routine inspection.

About 16 months ago, a broken pipe caused an emergency shutdown of part of Pickering. Eight months later, Canada's Atomic Energy Control Board ordered Hydro to improve safety. Last week, radio-active heavy water leaked into Lake Ontario and was reported by the Pickering plant. Robert Gibbens, Montreal

## US reactor damages in view

The US Supreme Court refused yesterday to rule out punitive damages awards for more than 2,000 people who contend they were hurt by the nuclear accident at the Three Mile Island reactor in 1979.

The court, without comment, rejected an appeal by corporations that owned, operated and supplied materials or services to the Pennsylvania plant, site of the worst US commercial nuclear accident. The appellants had argued that a 1989 federal law precludes any award of punitive damages, rather than compensatory damages.

In the accident, a combination of mechanical and human failures let the reactor core lose cooling water and partially melt. Some radioactive gases were released. It took nearly \$1bn and more than a decade to remove the damaged nuclear fuel. AP, Washington

## Cuba criticised on rights

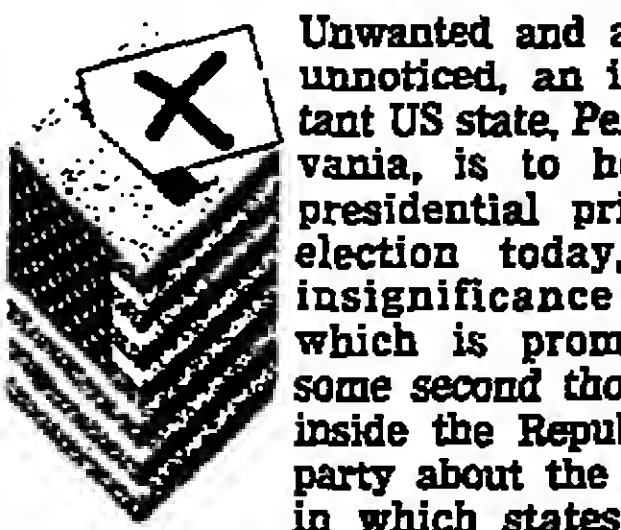
A US congressman said yesterday that the Cuban government was engaged in the most sweeping campaign of political and religious oppression on the island in recent years.

Congressman Robert Menéndez, a New Jersey Democrat, said an offensive against political dissenters and religious believers had been stepped up last year, before tensions with the US rose after Cuba had shot down two small aircraft flown by Miami-based exiles in February.

Mr Menéndez, on the US delegation to the UN Human Rights Commission now ending its annual session, is to table a resolution today condemning Cuba's record. Reuters, Geneva

## Republicans in a poor state

Jurek Martin finds a forgotten US primary and a thriving president



Unwanted and almost unnoticed, an important US state, Pennsylvania, is to hold a presidential primary election today, the insignificance of which is prompting some second thoughts inside the Republican party about the order in which states vote for potential nominees.

November 5 Pennsylvania, unlike several other large states, did not move its primary forward this year so as to exert greater influence over the selection of a presidential candidate.

What interest there was in the Republican contest evaporated when Mr Pat Buchanan, the only nominal remaining challenger to Senator Bob Dole, the Senate majority leader, decided not to campaign in Pennsylvania.

Of concern to some inside the Republican National Committee is that this year's compressed primary season failed to get around the old problem of small states, in effect, deciding the party's nomination.

Mr Dole virtually secured the prize in South Carolina on March 2, in only the sixth contested primary or caucus, after Iowa, New Hampshire, the two Dakotas and Arizona had voted.

Subsequent elections in March - in the three biggest states, California, Texas and New York, as well as on the so-called junior and super Tuesdays - were little more than exclamation points, all won by the majority leader.

The Republicans have now formed a task force to contemplate reform for 2000, the next US presidential election year. At a meeting last week, no guarantees were given that even the traditional campaign openers - the Iowa caucuses and the New Hampshire primary - would be preserved.

Mr Dole may be somewhat relieved that so little attention is being paid to Pennsylvania, one of the industrial belt states which he needs at least to share with President Bill Clinton in November in order to oust him from the White House.

Only last week, the majority leader, characteristically speaking of himself in the third person, declared: "Pennsylvania will be a battleground in November and, if Bob Dole carries Pennsylvania, Bob Dole will be the president of the United States come January."

But a state poll this month has given Mr Clinton a strong 51.34 per cent lead, typical of his current advantage in several of the big, pivotal states. In 1992, Mr Clinton carried Pennsylvania by 45.36 per cent over

President George Bush, with Mr Ross Perot taking 18 per cent as an independent. However, Republicans have subsequently won five of the last six elections for state-wide office there.

Other recent state polls that might disturb Mr Dole include those in New York, where Mr Clinton is 13 points ahead in a two-way race and 16 ahead when Mr Perot is added, and in California, where the president's lead has been about 20 points for months.

Even some increasingly Republican states look marginal at the moment. A poll in Virginia, which was carried by President George Bush four years ago, had Mr Dole ahead by only 45.43 per cent, while his lead in Arizona, last won by a Democrat in 1948, was also a mere two points at 41.99 per cent. In Iowa, Mr Clinton leads by a remarkable 53.36 per cent, perhaps reflecting the battering Mr Dole took in the February caucuses which he barely won.

It is these state poll numbers, as much as Mr Dole's current problems in trying to control Congress, that have the White House in an optimistic mood. There had been nervousness that enough of the 31 states carried by Mr Clinton in 1992 were now vulnerable, thus raising the prospect that Mr Dole could assemble a majority in the electoral college come November.

But the hard evidence of the moment points in the other direction.

## Long arm of US law threatens business

By Clay Harris

The extra-territorial reach of US law poses a growing threat to non-US companies doing business, even indirectly, with that country, an expert on money laundering said yesterday.

Mr Rowan Bosworth-Davies, senior consultant at London solicitors Titmuss Saines Dechert, told a conference in Lisbon that US courts had been "consistent in concluding that US law enforcement interests outweigh a foreign nation's interests in preserving the confidentiality of its banking or its business records".

Failure to comply with subpoenas for evidence resulted in "substantial monetary penalties" and contempt of court citations on US affiliates of foreign companies. "The growing frequency of such demands proves that any company which does business in the US must be prepared to deal with such a likelihood," he said.

As a company often had to prove to a US court that it had not been "willfully blind" to its client's alleged crimes, the need to "know your client" had been taken to a new height.

The due diligence required was "truly awesome," Mr Bosworth-Davies said. "Any new proposed business client who is a US citizen, who proposes to do business on US exchanges, buy US property, transfer money through a US institution or return money to a US institution must become subject to a level of investigation not hitherto contemplated."


A former legal adviser to the UK intelligence agencies MI5 and MI6, meanwhile, told the conference that organised criminals should be declared "illegal international organisations" (IIOs) and made subject to administrative sanctions similar to those applying to "rogue states".

Mr David Eickford, deputy chairman of Strategy International UK, said organised criminals planned their crimes to take advantage of different national legal systems and mutual legal assistance treaties.

A solution, he said, was to treat them as organisations, not individuals. Once they were identified as IIOs, assets would be subject to seizure and forfeiture.

The system would require strict oversight and a forum to determine complaints and claims. Revenue provided by forfeited assets could be applied to the cost of investigation and to the parties which lost revenue as a result.

The conference, by international Conference Group, continues today.



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### TENDER ANNOUNCEMENT

The Hungarian Privatisation and State Holding Company (H-1133 Budapest, Újpesti rakpart 31-33.) and Budapest Film Rt., (H-1054 Budapest, Báthory u. 10.) [hereinafter to be referred to collectively as the Announcers] invite an open single-round tender for the sale of Hotel Royal and related units of real estate owned by the state and the Apolló Mozi (Apollo Cinema) owned by Budapest Film Rt.

The following units of real estate are subject to this tender:

No.	Description	Address	Area
a.	Hotel Royal	Erzsébet krt. 43-49, Budapest, District VII.	5809 sq. m 24,781 sq. m
b.	Apolló Mozi	Erzsébet krt. 43, Budapest, District VII.	758 sq. m 2675 sq. m
c.	Boiler house, Hotel Royal (undeveloped plot)	Hársfa u. 54, Budapest, District VII.	865 sq. m 220 sq. m
d.	Parking lot, Hotel Royal, (undeveloped plot)	Hársfa u. 53, Budapest, District VII.	1296 sq. m
e.	Parking lot, Hotel Royal, (undeveloped plot)	Hársfa u. 55, Budapest, District VII.	1342 sq. m
f.	Maintenance and repair unit, Hotel Royal (area for expansion)	Hársfa u. 46, Budapest, District VII.	433 sq. m 430 sq. m

Bids may be submitted for the above elements of real property together. The purchase price can be paid in cash only.

Bids shall be submitted in closed envelopes to the address given, bearing no logo whatsoever, in five copies in Hungarian, marking the original copy of the bids. Foreign bidders may also submit their bids in English or German in addition to the Hungarian version but the Hungarian version of the bid shall be deemed governing.

Bids shall be submitted during the period available for bid submission in the presence of a notary public, either in person or through a proxy. The following text should be indicated on the envelope:

„Tender for Hotel Royal-Apolló Mozi”.

Bidder must mark the original copy of the bid as „ORIGINAL”. If bidder fails to do so, the Announcers shall choose one of the copies received which shall be deemed as original thereafter. Should there be any difference among the content of the copies received, the substance of the bid thus chosen shall be deemed governing.

**Deadline for bid submission:**

12-14 h, June 27, 1996.

**Venue of bid submission:**

**The official premises of the Hungarian Privatisation and State Holding Company**  
H-1133 Budapest, Újpesti rakpart 31-33.  
Room 804, floor VIII.

The tender price of the real property offered for purchase is HUF 1,000,000,000 (one billion forints) and VAT shall be payable on the building accommodating the cinema, which is HUF 20,000,000 (twenty million forints), plus 2.5 per cent of the difference between the offer and the tender price. Bidders shall attach a bank guarantee, covered certificate issued by a bank, or a certificate concerning the commitment of a loan, up to the tender price which is to be attached to the bid, to be valid for at least 120 (one hundred and twenty) days from the date of bid submission. Bids must describe proposed ideas concerning the utilization of the real property; continuation of the current function shall be given priority during bid evaluation.

Bidders must pay HUF 40 million (forty million forints) or an equivalent amount in foreign exchange by the bid submission deadline to confirm their earnestness with respect to their participation in the tender to the account opened by ÁPV Rt., at the Hungarian Foreign Trade Bank to receive bid performance guarantees. Bidders may submit a first class bank guarantee to cover their bid performance guarantee, the validity of the bank guarantee should cover 120 (one hundred and twenty) days from the date of bid submission.

A precondition to bid validity is that bids shall be maintained as valid for a period of 120 (one hundred and twenty) days from the date of bid submission.

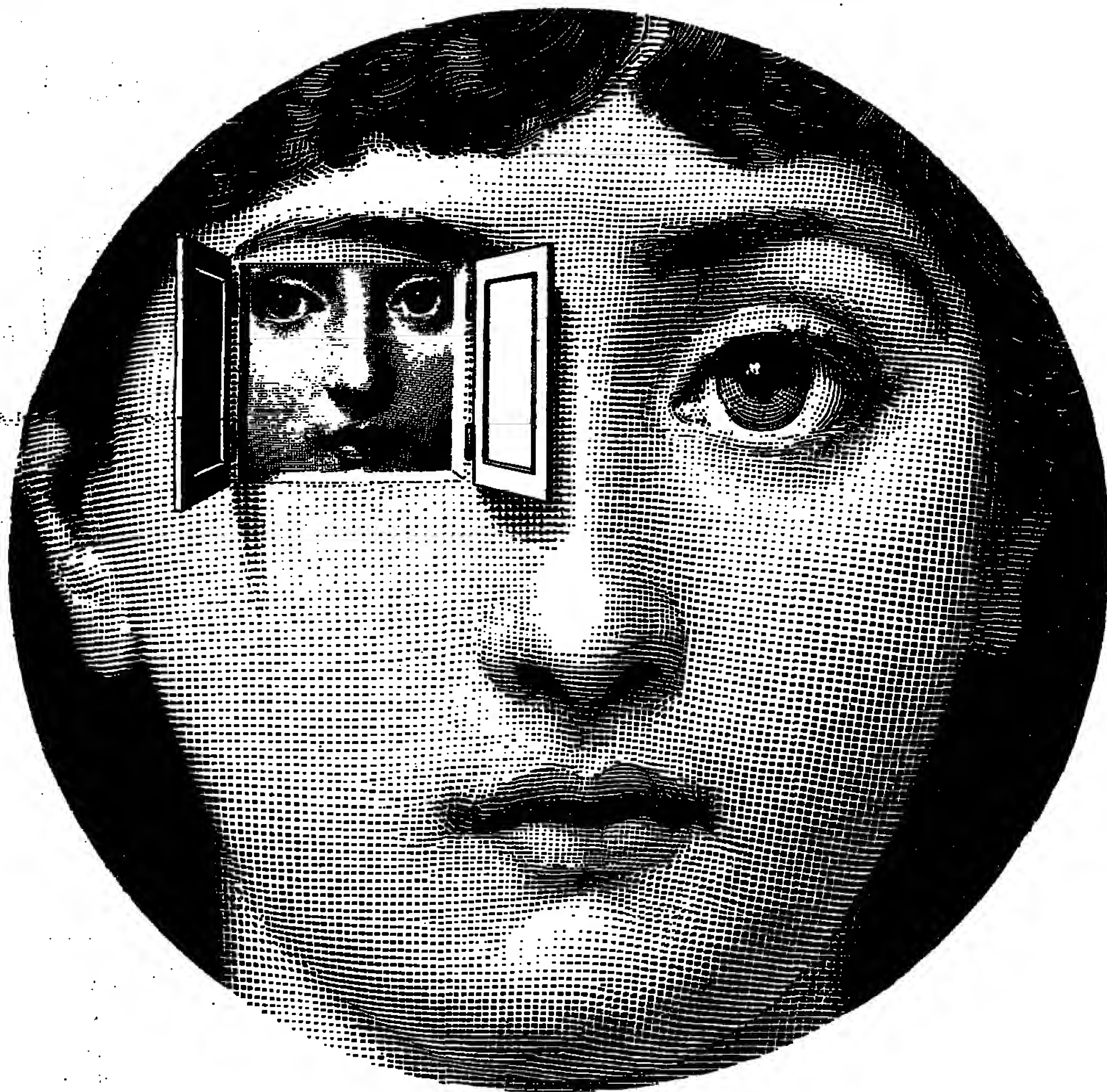
Following bid evaluation, the final decision shall be made by the Announcers. Announcers retain the right to declare the bid invalid. A precondition for participation in the tender is the purchase of the tender documents which includes the detailed terms and conditions of the Invitation to Tender as well as basic facts and figures concerning the real property, which constitute an inseparable part of these tender announcement. The tender announcement can be purchased for HUF 25,000 (twenty-five thousand forints) + VAT upon the execution of a statement of confidentiality at the PR Desk of ÁPV Rt. (H-1133 Budapest, Újpesti rakpart 31-33., ground floor.)

**Information with respect to the tender and the units of real property can be obtained after the announcement of the tender from István Sillay at the following telephone and fax numbers: (36-1) 269-8600/1252 and (36-1) 270-4417 respectively, between 9 - 16 h on workdays.**

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COMPANIES AND FINANCE: EUROPE

# Euro Disney posts first-half trading surplus

By Andrew Jack in Paris

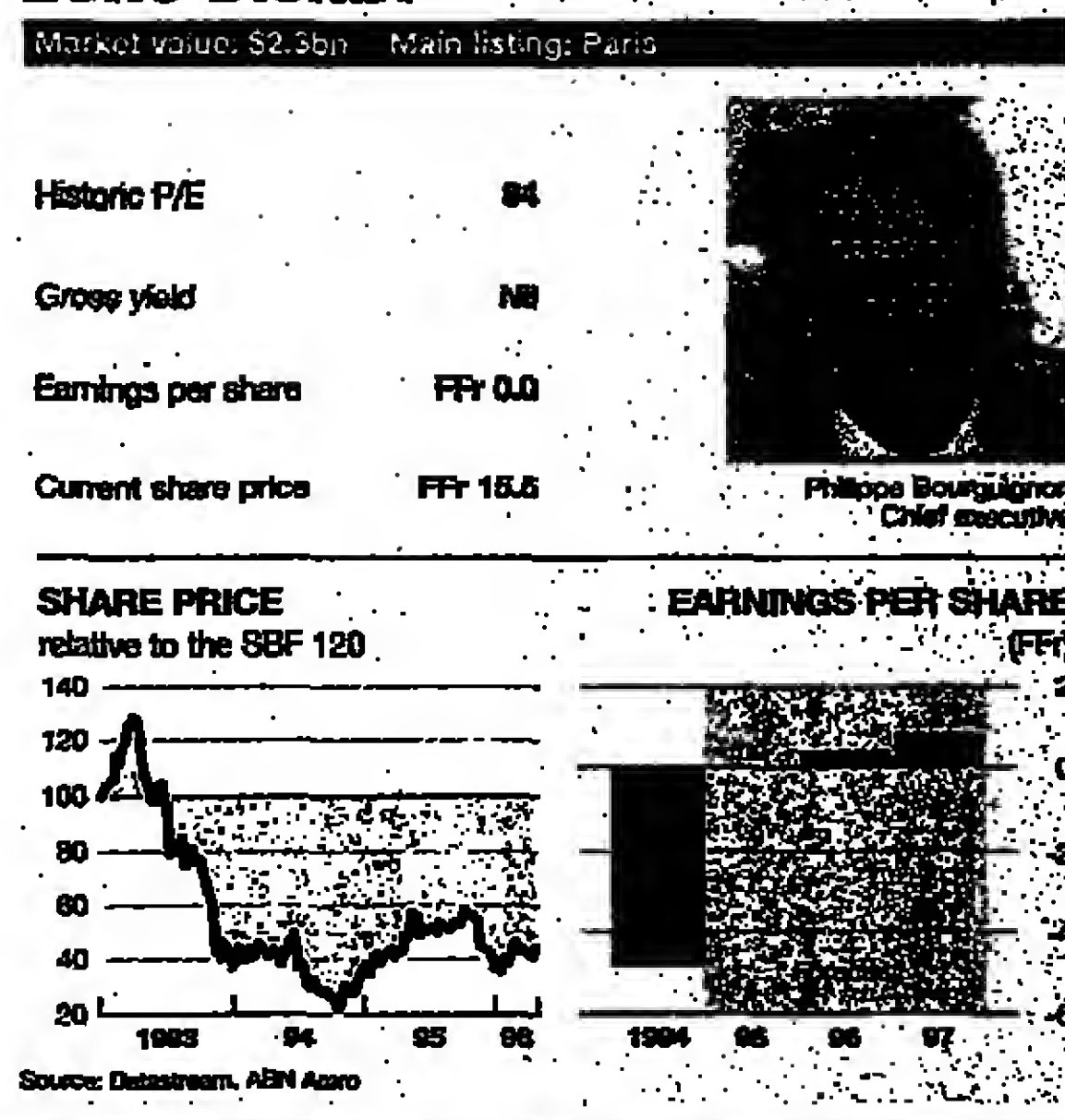
Euro Disney, operator of the Paris-based theme park, yesterday announced a trading profit for the first time since the park's opening in 1982. Income before lease and financial charges for the first half of its 1995-96 financial year was FF758m (\$11.4m), compared with a loss of FF82m in the first half last year. However, the group still reported net losses, although these fell 30 per cent, to FF165m. There was a substantial rise in lease rental expenses, which had been temporarily waived following the restructuring, and which stood at FF120m last time. The charges will increase by a total of FF120m for the full year as part of the agreements with the group's creditor banks. The group reported excep-

tional gains of FF61m, against FF55m, which reflected savings of several million francs generated by buying back from the market additional convertible bonds issued by Euro Disney as part of the restructuring, as well as writing back of provisions made at the same time. Financial income also rose, from FF140m to FF169m, and financial expenses fell from FF234m to FF228m. Mr Philippe Bourguignon, chairman and chief executive, said: "This improvement in results reflects our strong commercial performance, notably in the hotels. Of particular significance is that it comes at a time when many tourist destinations are experiencing tough market conditions." He also stressed that the results reflected the low season of the park's activities, and that there should be a substantial jump during the second half of the year, which

covers attendance during the summer. Euro Disney's turnover improved 13 per cent to FF1.9bn, despite the difficulties besetting the tourism sector in France - notably during the last three months of 1995, at a time of terrorist attacks and industrial action linked to the government's proposed social security reforms. The rise included an 11 per cent rise in revenues from theme park entries to FF310m. This suggests that increased attendance more than offset cuts in admission charges which were introduced in April last year. Higher occupancy helped raise hotel revenues 17 per cent to FF789m, while other revenues rose from FF158m to FF171m. The group does not provide detailed figures on attendance or occupancy numbers within its half-year results.

PROFILE:

**EURO DISNEY**

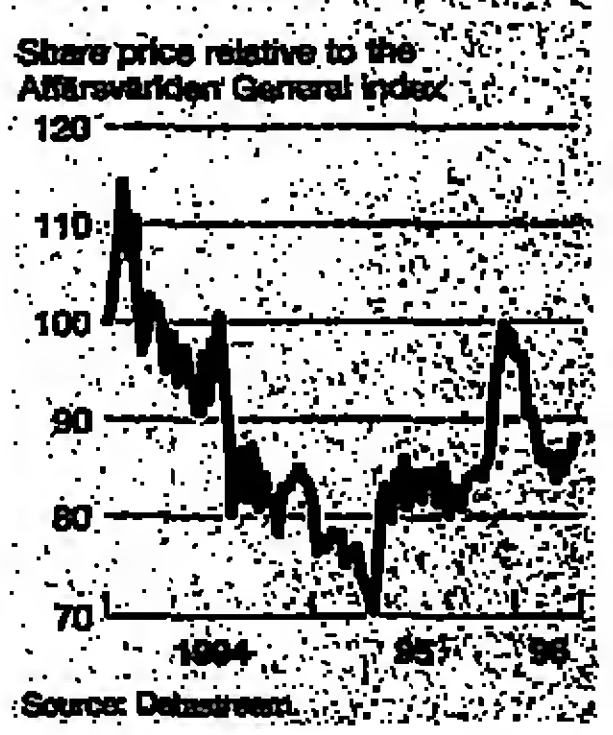


# Montedison back in the black after special gains

By Andrew Hill in Milan

Montedison, the Italian industrial holding company, yesterday announced a consolidated profit of L1,070bn (\$682.4m) after tax for 1995, its first annual net profit since 1991. The results benefited from extraordinary gains of L978m, including the proceeds of disposals and the transfer of polypropylene activities into the Montell joint venture with Royal Dutch/Shell. Group profit before tax and extraordinary items was L979bn, against L748bn in 1994. Montedison lost L345bn after tax in 1994, following extraordinary charges of L445bn. The parent company also decided to write down the nominal value of its share capital - by L1,384m - to cover losses built up in the last four years and clear the way for payment of a dividend from next year. Italian law forbids the payment of dividends by companies which are still carrying accumulated losses. Montedison's shares were suspended yesterday. Montedison said market conditions had weakened in the second half of 1995, and in the first quarter of this year turnover decreased to L6,022bn, down 3.1 per cent on the equivalent period. Gross operating margin narrowed from 16.5 to 15 per cent of sales. Net debt at Montedison stood at L9,839bn at the end of last year, equivalent to 96 per cent of shareholders' funds, against L11,654bn a year earlier. Ferruzzi Finanziaria, the linked holding company which controls the industrial group through a 30 per cent stake, also recorded a net profit in 1995, of L11bn, against a loss of L677m in 1994. The holding company said it would ask shareholders' permission to change the name of the group. No new name has been proposed, but the change is likely to end any association with the Ferruzzi family of Ravenna, which controlled the group during the late 1980s and early 1990s before its near-collapse in 1993.

Handelsbanken



ered extraordinary income, increased pressure on prices and the cost of merging the Swedish group's two Spanish subsidiaries.

# CS Holding and Winterthur agree co-operation deal

By George Graham, Banking Correspondent

CS Holding, the parent company of Credit Suisse, has not abandoned its idea of a far-reaching merger in the Swiss banking industry, despite the brusque rebuff this month to its overtures to Union Bank of Switzerland. CS yesterday announced an agreement to co-operate with Winterthur Insurance on a broad range of financial services, but said it would continue to eye a much bigger banking merger. Mr Rainer Gut, CS's chairman, sternly criticised Union Bank of Switzerland for revealing and rejecting his merger proposals. "The UBS board has chosen the conservative option. But they - indeed, the whole of Switzerland's financial services industry - will sooner or later be forced to face up to the challenges that the world of banking poses," Mr Gut said in a letter to shareholders. "We at CS Holding will continue to debate the issue which, because it was publicised earlier than intended, needlessly caused the financial world to hold its breath," he added. Mr Gut said that the shake-out in the Swiss financial services industry "will have some way to go". The recent mergers between Bank of Tokyo and Mitsubishi Bank and between

Chemical Bank and Chase Manhattan had, he said, "underlined the importance of both strength and size as we move into the next century". CS's co-operation with Winterthur, meanwhile, will lead to the merger of the two groups' occupational pension subsidiaries to form Winterthur-Columa, which will already have SFR28bn (\$1.8bn) under management when it starts up next January. In addition, Winterthur will take a one third stake in RE Insurance Finance Company, a joint venture between Credit Suisse and Swiss Re, the reinsurance group. CS and Winterthur also plan to co-operate on direct telephone sales of banking and insurance products as well as on computer and telecom systems. A UBS-CS merger would have created a substantial international investment bank and fund manager, and raised the prospect of dramatic rationalisation in the Swiss retail banking market. But UBS rebuffed the approach "unambiguously", virtually accusing CS of attempting to blackmail it ahead of a confrontation with its rebellious shareholder, Mr Martin Ebner, at last week's shareholders' meeting. CS Holding said its BIS capital ratio was 12.7 per cent and its Tier 1 core capital ratio 8.7 per cent, comfortably ahead of BIS minimum requirements.

# Handelsbanken profits top market estimates

By Hugh Carnegie in Stockholm

Lower loan losses and increased interest and commission income pushed up first-quarter operating profits at Handelsbanken by 13 per cent. The group, one of the Nordic region's leading banks, is the first Swedish bank to report for the period. Operating profits of SKr1.52bn (\$236.9m), up from SKr1.34bn in the same quarter last year, were ahead of market expectations and prompted a sharp rise in Handelsbanken stock on the Stockholm bourse. The most-traded A shares rose SKr5 on the day to close at SKr139. The steady fall in loan losses shown by Sweden's banks

since the credit loss crisis of 1992 continued to give a strong boost to the performance. Loan losses fell 26 per cent from SKr577m to SKr401m, to reach 0.6 per cent of total lending, against 0.8 per cent a year ago. The figure is still above levels of the late 1980s, but is lower at Handelsbanken than its main rivals, which were harder hit by the crisis. Profits before loan losses were ahead just 4 per cent, rising from SKr1.5bn last time to SKr1.95bn. Mr Arne Martensson, chief executive, said lending to households - long depressed in Sweden - picked up in the first quarter, but corporate borrowing had flattened out. He said the margin between lending and deposit interest

rates had also narrowed further to less than 3 per cent. Nevertheless, net interest income increased 5 per cent to SKr2.5bn. Analysts said this may have been partly flattered by the removal of Handelsbanken's real estate vehicle Nackebro - to be spun off to shareholders later this year - from the accounts. Net commission income rose from SKr372m to SKr673, reflecting increased volumes in securities trading. Meanwhile, changes in accounting principles to conform with European Union directives made clearer the effects of changes in value of Handelsbanken's securities portfolio and foreign exchange earnings. Net income from financial operations jumped 17 per cent from SKr218m to

SKr256m. There was also an 11 per cent increase in total costs from SKr1.57bn to SKr1.74bn, with staff costs rising 10 per cent to SKr938m. Handelsbanken said much of this was due to its growing presence in Finland and Norway. The growth of Telefonica, the Spanish telecom operator, in Latin America and the fast expansion of the domestic mobile phone market helped offset restructuring costs last year at Ericsson España, the Swedish group's subsidiary in Spain, writes Tom Burns in Madrid. Ericsson España lifted 1995 sales income 44.9 per cent to Pt\$1.8bn (\$735m) but after-tax profits fell from Pt\$4.6m in 1994 to Pt\$4.2bn. The depressed earnings were blamed on low-

# Sales decline at Krupp

By Michael Lindemann in Bonn

Krupp, the German steel and engineering group, yesterday said new orders and sales in the three months ended March fell by up to 7 per cent compared with the same period last year. Echoing other German engineering companies, it warned that prospects for the rest of this year remained dull. At the opening of the Hannover industrial fair, Mr Gerhard Cromme, chief executive, said the company expected "a

generally weak economy in 1996" but added that despite a poor first quarter, Krupp's 1996 results would be "satisfactory". The group last month announced its first dividend, after reporting net profits of DM505m (\$335.4m). Mr Cromme said the steel division had been worst hit by the weaker demand. Krupp's sales in the first quarter fell 5.5 per cent to DM5.5bn while new orders, the most important figure indicating the prospects for future business, had fallen 7 per cent to DM4.1bn.

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سكوا من الأصل

COMPANIES AND FINANCE: EUROPE

# SBC eyes Standard Chartered private banking arm

By George Graham, Banking Correspondent

Swiss Bank Corporation is understood to be negotiating the acquisition of the private banking division of Standard Chartered, the UK-based international banking group.

London equity analysts estimated the division contributed close to £15m (\$22.8m) to Standard Chartered's pre-tax profits, and said its price could be more than 10 times that figure.

Neither Standard Chartered nor SBC would yesterday comment. However, SBC has recently told analysts it considers private banking to be one of its best core businesses, and one it expects to expand over the next two years organically and by acquisition.

SBC does not disclose the value of funds under its management, but the group has been steadily increasing the proportion managed outside Switzerland, which rose from

11 per cent in 1994 to 13 per cent last year.

Standard Chartered has been whittling down its non-core businesses, disposing in particular of much of its securities and investment banking operations. It recently agreed to sell 80 per cent of its stock-broking arm to Nava Securities of Thailand.

London analysts said they were puzzled it should consider private banking a non-core activity, because of its overlaps

with the retail banking operations on which Standard Chartered has concentrated.

However, private banking has been managed as a stand-alone business within Standard Chartered's investment banking division. The unit is believed to have some £3.5bn under management.

Mr Daniel Cardon de Lichtbuer, Banque Bruxelles Lambert chief executive, expects 1996 net profit to rise 15 per cent to more than BFR10bn

(\$323m), from 1995's BFR9.41bn, reports AFX News in Brussels.

Mr Cardon was speaking at the inauguration on Friday in Geneva of a new building for BBL's Swiss unit, where he said he expected 40 per cent of 1996 profits coming from overseas activities, against 30 per cent in 1995.

Commenting on the possibility of a merger with Générale de Banque, Mr Cardon said this was not achievable

because of differences between BBL shareholders.

In the absence of the merger, BBL would strengthen its domestic position via increased automation, by pursuing its acquisition of the Antwerp savings bank Anhuy, and by reviewing its branch network. Internationally, it would reinforce its activities in Europe, in the main global financial centres, in eastern Europe, and in France via an acquisition in asset management.

# Skoda back in black after three years of losses

By Kevin Done, East Europe Correspondent

Skoda Automobilova, the Czech subsidiary of Volkswagen of Germany, returned to profit in the final quarter last year following three years of losses.

For the full year, the company reduced its net loss from Kcs2.37bn in 1994 to Kcs1.62bn (\$28.8m), it said yesterday.

Skoda remained in profit during the first three months of 1996, helped by a big increase in production, said Mr Volkhard Köhler, deputy chairman.

The group's results for the whole of 1996 would show a "further considerable improvement", although the financial performance in the second half would be burdened by the start-up of a new car plant in the Czech Republic and the launch of the group's second car range.

Last year's loss was mostly due to the heavy expenditure for the new model development and the building of new production facilities.

Skoda remained in loss largely as a result of changes in its accounting procedures, under which it began to charge research and development costs against its profit and loss statement for the first time.

Mr Köhler said the success of the current Felicia range meant the company was "now capable of bearing the costs of

future products". Last year's results were also burdened by advance expenditure for new models of about Kcs3bn. Excluding this investment Skoda had operated profitably last year, said Mr Köhler.

In its most significant expansion since Volkswagen took control in 1991, Skoda is due to launch the Octavia range of small family cars in the autumn, which will be added above the current Felicia supermini range.

The new range will enable the Skoda brand to compete for the first time in the largest volume segment of the European market, against models such as the Ford Escort and the Opel Astra.

It will share chassis platform components with other VW group products under development - including the Audi A3, to be launched later this year, and the next-generation VW Golf and Seat Toledo.

Skoda is aiming to raise output to about 340,000 cars a year by the late-1990s, when both model ranges are in full production.

In the first three months of 1996, production rose by 39.5 per cent from the same period a year ago, to 89,931 units. Sales volumes in the domestic market rose 13 per cent, while sales increased by 34 per cent in central and east Europe and Asia, by 11 per cent in west Europe and by 35 per cent overseas.

## OBITUARY: ROBERT HERSANT

# Media man and politician

Robert Hersant, France's most powerful media baron who died on Sunday evening aged 76, managed to combine the construction of an extensive journalistic business empire and a political career with an extremely low personal profile.

His death, after an illness following recent heart surgery, leaves open to question the future of an extremely complex web of companies held together largely by his forceful personality and struggling under substantial debts.

Born in 1920 in Brittany, the son of a naval captain, Hersant started his working life after attending schools in Rouen and Le Havre. In 1945, he published a car directory, followed in 1949 by the magazine Auto Journal.

In 1950, he founded the Robert Hersant group, which became the vehicle for a range of activities in the print media as well as forays into radio and television. It now controls 30 per cent of the French market for daily newspapers, and has stakes in other countries including Le Soir in Belgium and Rzeczpospolita in Poland.

The most well-known titles held through his Scopresse group include Le Figaro, the daily right-wing French paper, and France-Soir, an evening daily paper. Separately, the Hersant family controls France-Antilles, a regional newspaper group.

Not all his ventures were successful. He became head of the ill-fated French fifth television station in 1987 before it closed. His print titles, like those of his competitors, have been hit in recent years by rising costs and falling circulation and advertising revenues.

Little financial information is available on the privately owned group. However, there were suggestions in 1993 that its debt ran to FF4bn - much



of it held with banks that are themselves now in difficulties, including the state-owned Crédit Lyonnais.

Writing in yesterday's Le Figaro, which dedicated most of its front page and several additional articles to its proprietor's death, Mr Franz-Olivier Giesbert, the editor, said: "Robert Hersant was first of all a journalist. Not an industrialist, but an artisan like all of us."

However, he also launched a second career in politics. During the 1950s, he was elected first as a mayor, then as a regional and a national deputy. In 1984 he became a member of the European parliament under the UDF-RPR centrist banner, a post he retained until his death.

There was some ambiguity over his relationship with the

late socialist president François Mitterrand. In spite of a clear political divide between the two men, Mr Jean d'Ormesson, Figaro's managing director at the time Hersant bought the title in 1976, claimed there was an agreement which veered away from excessively critical coverage while the socialists were in power.

His early career was tarnished by accusations of collaboration with the Vichy régime during the second world war.

In a rare interview on the subject on French television in 1982, he admitted to "an error" while adding ironically: "Those who know me a little know that I am the only Frenchman of my generation to have not been a hero of the resistance."

Andrew Jack

# Mannesmann starts year well but sounds note of caution

By Michael Lindemann in Bonn

Mannesmann, the leading German engineering and telecommunications group, said several of its core engineering businesses had done well in the first quarter, but sounded a note of caution for the year as a whole, partly because capital investment was still lagging.

Mannesmann's comments are likely to dampen sentiment in the European engineering industry, where it is one of the biggest groups. However, the company's share price rose DM6 to close at DM58.

Mr Joachim Funk, chief executive, said three main Mannesmann engineering businesses - Demag, Demag Fördertechnik and Krauss-Maffei - had "grown" in the first quarter, compared with relatively strong figures during the same period a year ago.

Business at Rexroth, the hydraulics company, had suf-

fered because of the general economic slowdown, Mr Funk said. "Our expectations for the second half of this year remain uncertain."

Mr Funk expected "significant impulses" from west European companies which needed to invest in new plant. Such investment had fallen by up to 25 per cent in the four years before 1994 in countries of the European Union. But there were signs that demand had been picking up last autumn, following stronger orders from customers in the EU and elsewhere.

The group reports its full 1995 results on Wednesday, but yesterday gave some details about business in various divisions last year. The engineering and plant division - Mannesmann's core business, representing 40 per cent of group turnover - increased sales last year by 12 per cent. The automotive technology

division had put on an extra 7 per cent in sales, while profits remained in line with those reported earlier.

Despite the stronger sales in a number of divisions last year and restructuring, analysts fear Mannesmann faces further difficulties as its costs in dollar terms are about 25 per cent higher than those of foreign competitors.

German steelmakers expect to produce about 39.5m tonnes of raw steel this year, 2.5m tonnes less than last year, because stockpiles were not being used as quickly as expected, the Steel Federation, the umbrella organisation for the German industry, said yesterday.

The industry, which employs 120,000 in Germany, expects to shed up to 5,000 jobs this year because of growing international competition, said Mr Ruprecht Vondran, the federation's chairman.

## PRIVATISING BUSINESSES WORLDWIDE

<p><b>UNITED KINGDOM</b> HMG Department of Transport</p> <p>Industry restructuring and disposal of over 45 businesses - aggregate sale proceeds exceed £3 billion</p> <p>Adviser on Rail Privatisation Programme</p>	<p><b>UNITED KINGDOM</b> Office of Passenger Rail Franchising</p> <p>Sale of Great Western Trains Company to management, FirstBus and 3i</p> <p>Sale of South West Trains to Stagecoach</p> <p>Adviser</p>	<p><b>UNITED KINGDOM</b> Office of Passenger Rail Franchising</p> <p>Award of Gwicks Express to National Express</p> <p>Award of InterCity East Coast to Sea Containers</p> <p>Adviser</p>
<p><b>POLAND</b> Ministry of Finance</p> <p>US\$110 million IPO inc. GDR issue for Bank Gdanski</p> <p>Adviser &amp; Lead Manager</p>	<p><b>ITALY</b> Enichem Group</p> <p>Disposal of seven fine and specialty chemical businesses</p> <p>Adviser</p>	<p><b>HUNGARY</b> The State Privatisation and Holding Company</p> <p>US\$62 million IPO inc. GDR issue for Bonodchem</p> <p>Joint Global Co-ordinator &amp; Bookrunner</p>
<p><b>UNITED KINGDOM</b> British Coal Corporation</p> <p>Sale of coal mining businesses for £950 million</p> <p>Adviser</p>	<p><b>SPAIN</b> Telefónica de España</p> <p>US\$1.3 billion international equity issue</p> <p>Joint Bookrunner: Rest of World Co-lead Manager: UK</p>	<p><b>UNITED KINGDOM</b> British Coal Corporation</p> <p>Sale of 12 non-mining businesses</p> <p>Adviser</p>
<p><b>HONG KONG</b> Founder (Hong Kong)</p> <p>HK\$122 million Hong Kong IPO and International Placement</p> <p>Joint Sponsor &amp; Lead Underwriter</p>	<p><b>CHINA</b> Maanshan Iron and Steel</p> <p>US\$510 million Hong Kong IPO and International Placement</p> <p>Sponsor &amp; Global Co-ordinator</p>	<p><b>HONG KONG</b> Ng Fung Hong</p> <p>US\$161 million Hong Kong IPO and International Placement</p> <p>Sponsor, Lead Underwriter &amp; Bookrunner</p>
<p><b>ARGENTINA</b> Argentine Private Development Trust</p> <p>US\$1.3 billion Privatisation Fund</p> <p>Arranger</p>	<p><b>FINLAND</b> Ministry of Trade and Industry</p> <p>Expansion of the ownership base of Sisu Oy</p> <p>Adviser</p>	<p><b>PERU</b></p> <p>US\$138 million Privatisation Fund</p> <p>Sponsor, Investment Adviser &amp; Manager</p>

HSBC Investment Banking, with 5,600 staff in 42 countries, has proven worldwide capability in privatisations. For more information, contact Christopher Clarke or Arnold Shipp in London on +(44) 171 260 9000 or Eamonn McManus in Hong Kong on +(852) 2841 8359.



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## German Leveraged Leasing keeps West

**RANDGOLD**  
Randgold & Exploration Company Limited  
(Registration number 22055942/08) ("Randgold")

**Gengold**  
Gengold Limited  
(Registration number 71/05181/08) ("Gengold")

**Gencor**  
Gencor Limited  
(Registration number 01/01232/08) ("Gencor")

(All companies are incorporated in the Republic of South Africa)

**Sale of interests**

Further to the announcements of 8 November 1995 and 19 April 1996, shareholders are advised that the sale of certain of the assets of Gengold, including its holdings of ordinary shares in The Grootvlei Proprietary Mines Limited and Stillfontein Gold Mining Company Limited and a portion of its holding of ordinary shares in Unisel Gold Mines Limited (as well as the assignment of its management of these companies), the Buffelsfontein mining division of Buffelsfontein Gold Mining Company Limited (now Beatrix Mining Company Limited), and certain mineral rights, has now become unconditional and will proceed in accordance with the agreements concluded between the relevant parties.

Johannesburg  
23 April 1996

**Merchant bank**  
RAND MERCHANT BANK LIMITED  
(Registration number 22/0282/08) (Registered bank)

**Advisers to the ordinary shareholders of Buffelsfontein**  
JUL  
Merchant Bank Limited  
(Reg No 550181/06)

**Sponsoring brokers**

to Randgold  
Simpson McKie James Capel  
Member HSBC Group  
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to Buffelsfontein  
FLEMINGMARTIN  
Fleming Martin Securities Ltd  
Registration Number: 95/1181/06  
Member of The Johannesburg Stock Exchange



# International



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NEWS

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COMPANIES AND FINANCE: THE AMERICAS

Planned spin-off limits increase at EDS

By Richard Tomkins in New York

The planned spin-off of Electronic Data Systems, the computer services consultancy, from its parent General Motors took its toll on EDS's profits by halving first-quarter earnings growth.

However, on a brighter note, EDS said it had won new contract signings worth more than \$1bn during the quarter. Revenues advanced by 21 per cent to \$3.4bn and net profits rose 11 per cent to \$2.8bn.

Yesterday, the company said the 3 cents a share impact on first-quarter earnings growth was the result of certain rate adjustments retroactive to January 1 under the terms of the new agreement.

EDS also repeated an earlier warning that it would incur a pre-tax, non-recurring charge of \$500m to \$750m in the second quarter to cover the cost of a voluntary early retirement offer to some US employees.

Revenues from outside the US rose by 39 per cent and made up 32 per cent of the company's first-quarter total. For the first time, EDS entered the Indonesian market.

Nabisco recovery helped by lower tax

By Richard Tomkins

First-quarter profits picked up after a poor fourth quarter for Nabisco, the US food group. Net earnings rose by 10 per cent to \$53m, the company reported yesterday, although it acknowledged that the improvement reflected lower interest costs and a lower tax rate, and operating profits fell 4 per cent to \$181m.

NEWS DIGEST

Costs hinder profit at US Healthcare

US Healthcare, the US managed care company that has agreed to be acquired by the insurance group Astma, said yesterday first-quarter operating revenues rose 29 per cent, while profits continued to be restrained by rising medical costs.

AHP beats forecasts

American Home Products, the pharmaceuticals and consumer products group, topped estimates for its first quarter, reporting earnings per share of \$1.55 against estimates of \$1.53.

Kansas City Power rejects bid

Kansas City Power and Light, the utility, has rejected what it described as an unwelcome merger proposal from Western Resources, another utility operating in the region.

Flat quarter for Cominco

Stronger zinc and lead results in Canada and Peru offset the impact of lower copper and molybdenum prices for Cominco in the first quarter. Net profit was \$277m (US\$18.81m), or 31 cents a share, against \$292m, or 31 cents, a year earlier on revenues of \$2.62bn, up 32 per cent.

Continental Airlines investors to sell \$260m shares

By Richard Tomkins

Air Canada and other investors who backed the 1993 rescue of Continental Airlines, the fifth biggest US carrier, are to realise part of their investment by selling up to \$260m worth of shares in a secondary offering, Continental said yesterday.

\$88m after tax for the first quarter, a turnaround from after-tax losses of \$30m a year earlier.

In a complex deal, Air Canada now plans to sell up to 2.2m of its class B common shares and to convert all of its 1.7m class A shares, which carry 10 votes a share, into class B shares with one vote a share.

Investors in Air Partners are selling up to 2.3m class B shares, but after the deal is completed, it will end up with shares and warrants entitling it to about 23 per cent of Continental's equity and \$2 per cent of the general voting power.

of an open skies agreement between the US and Canada had made its alliance with Continental less strategic than it looked three years ago.

Cisco Systems to acquire StrataCom in \$4bn deal

By Louise Kehoe in San Francisco

Cisco Systems, the leading manufacturer of Internet data networking equipment, has agreed to acquire StrataCom, the top producer of switching equipment for high-speed data networks, in a stock swap valued at about \$4bn.

required by Internet service providers and companies building private networks, said Mr John Chambers, Cisco president and chief executive.

By merging StrataCom's technologies for high-speed switching with Cisco's routing technologies, the companies aim to address the growing volume of users and traffic on the Internet and provide capabilities for new multimedia applications, he said.

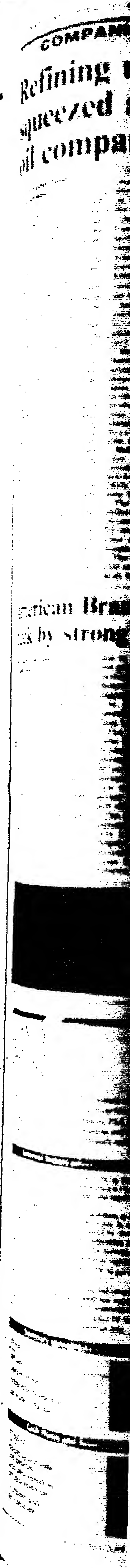
After the announcement yesterday, StrataCom's share price jumped to \$48. Cisco Systems was trading at \$47.7 in mid-session, up slightly from Friday's close of \$47.4.

Optics and Wellfleet Communications to form Bay Networks, the 1995 acquisition of Chipcom by 3Com and many smaller deals.

Project and Export Finance looks West

Advertisement for Global DirectMail Corp. offering 4,600,000 shares of common stock and 800,000 shares of preferred stock. Lists various financial institutions and investment banks.

Advertisement for Crédit Agricole 1995 Results. Features two bar charts showing consolidated net income and total capital from 1990 to 1995. Includes key figures: 6.51 billion francs of consolidated net income, 1,893 billion francs of total consolidated assets, and 124.2 billion francs of total capital.





COMPANIES AND FINANCE: UK

Strong demand for components and sale of manufacturing side behind advance

Former Farnell almost doubles to £110m

By Christopher Price

Strong demand for electronic components and a one-off gain from a disposal helped the former Farnell Electronics, recently renamed Premier Farnell, to an 87 per cent rise in pre-tax profits last year.

sale of the manufacturing operations. Turnover included a £15.7m contribution from Combined Precision Components, bought in May.

strong, with margins also being maintained. A new sales and distribution facility was opened in Singapore, with an additional sales office opened in Malaysia.

PROFILE PREMIER FARNELL Market value: £1.9bn Share price: 72 1/2p - 4p Table with financial data for 1992-1996 and a line graph showing share price performance.

City's IT spending set to increase by 10% to £2.2bn

By Christopher Price

Information technology expenditure in City dealing rooms is forecast to rise by 10 per cent to £2.2bn (£3.34bn) this year, with half the amount being spent on the purchase of new systems.

Part of the increase in IT expenditure is attributed to a rise in new dealing positions, which have risen for the first time in nine years.

demand for new dealing room technology will remain firm, with about 29 per cent of UK dealing rooms planning to upgrade a large part of their technology infrastructure during 1996.

Prudential interested in Friends Provident

By Alison Smith, Investment Correspondent

Prudential, the UK's largest life assurance group, has emerged as a late contender to buy Friends Provident, a mutual life insurer, which is expected to decide its future this week.

Those which have expressed interest include Sun Alliance, the composite insurance group, and Abbey National, the home loans and banking group.

Smiths' purchases follow growth strategy

By Stefan Wagstyl, Industrial Editor

Smiths Industries, the aerospace, medical and industrial equipment group, is spending £88.6m (£105m) to take over two companies, one making electrical conduits, and the other ventilation equipment.

Smiths, which has made acquisitions a core element of its expansion plans, will incorporate the businesses in its industrial equipment division.

Sir Roger Hurst, chairman and chief executive, said: "The industrial group has become a much more clearly focused operation in recent years and we are buying two businesses here which ideally complement that strategy."

Sears sells Dutch retailer for £47m

DIGEST

Sears, the UK retail group, yesterday continued its refocusing drive with the £46.6m (£71m) sale of Hoogenbosch Beber, the leading Dutch shoe retailer. The disposal ends Sears's 25 year involvement in continental European shoe retailing.

Everest agrees McCain bid

Shares in Everest Foods jumped 30p yesterday to 105p after the frozen potato products specialist accepted an offer of 110p a share from McCain Foods, the wholly owned UK subsidiary of McCain Foods Group, the family-owned Canadian company.

Wellman, the engineering and transport group, has acquired ESP, based in Connecticut, for \$17.1m cash. ESP has engineering facilities in Tucson, Arizona, and small wholly owned subsidiaries in Mexico, Germany and the UK.

Mid Kent bid judgment today

A High Court judge will today decide whether to hold up plans by two French conglomerates to bid for Mid Kent Holdings, one of Britain's smaller water companies.

Cater Allen money funds

Cater Allen, the financial services group, is to launch two money market funds aimed at small and medium-sized UK companies and institutions. One will be a sterling fund, the other a dollar fund, and others could follow.

Government Fixed Income turns West

EURO DISNEY S.C.A. 30% IMPROVEMENT IN NET RESULT (First half ending March 31, 1996, reflecting the low season) Table with key figures and a list of achievements.

ASTRA Astra acquired a research and development operation with nearly 900 employees in the U.K. and the U.S. NOTICE OF ANNUAL GENERAL MEETING The Annual General Meeting of Astra AB will be held at 6 pm on Monday 13th May 1996 at the Stockholm International Fairs and Congress Center, Ålvsjö.

Handwritten Arabic text: صكبات الامل



# LIG acquires Aladan in \$70m deal

By David Blackwell

London International Group, the condom and rubber glove manufacturer, yesterday announced a \$69.5m acquisition that will give it a significant share of the US medical examination glove market.

LIG shares closed yesterday up 8p at 129p. Analysts welcomed the deal, suggesting it marked the completion of the group's return to health.

Aladan has net assets of \$29.2m and made operating profits last year of \$10.5m on sales of \$85.9m.

Mr Nick Hodges, LIG chief executive, said that Aladan was able to make both condoms and rubber gloves at its two plants - technology that was not available to LIG, which uses different plant for each product. However, LIG

was the world leader in powder-free gloves, and would be investing £10m over two years in order to apply its patented technology to Aladan's gloves.

The group would then be the world leader in powder-free surgical and examination gloves. Aladan has a 13 per cent share of the US examination glove market, the world's largest.

LIG is also confident of retaining Aladan's contract with the US Agency for International Development for unbranded condoms. The contract is for 250m condoms a year for three years, but is subject to annual renewal.

In the last six months, LIG has acquired condom manufacturers in Malaysia and Spain. It has also continued its disposal programme as it concentrates on the core condom and glove businesses.

Mr Hodges said he was still looking at another couple of condom makers and another glove company. LIG was also in the process of selling Cook Bates, the manicure business.

# Southern considers bid for NatPower

By Patrick Harverson

Southern Company, the Atlanta-based utility, was yesterday considering whether to make a hostile bid for National Power after the UK electricity generator unveiled an agreed £2.5bn (\$3.8bn) cash offer for Southern Electric, the UK regional supplier and distributor.

The deal, which has yet to receive government approval, could deter Southern from bidding for National Power because the US group, which already owns a UK regional supplier in Swed, fears a bid for the generator and Southern Electric would run into regulatory and political opposition.

The chances of Southern launching a hostile bid for National Power were now only 50-50, said an executive close to the group last night.

However, any bid is unlikely to come until after Mr Ian Lang, the trade and industry secretary, has ruled on the Monopolies and Mergers Commission's report into the National Power takeover of Southern Electric and rival generator PowerGen's offer for Midlands Electricity, another regional supplier.

National Power hailed its agreed bid for Southern Elec-

tric as a big step in its strategic realignment into an integrated international power company. It said the deal would be earnings enhancing, and would "create scope" for returning further value to shareholders through a more aggressive dividend policy.

However, Southern's advisers yesterday attacked the Southern Electric deal, arguing National Power had been panicked into overpaying for the regional supplier as a defensive measure against a possible bid from the US group.

National Power agreed to pay 960p a share for Southern Electric, whose shareholders will also receive a 26.3p special interim dividend.

The generator's original offer for Southern Electric last October was £10.10p a share, but since it lapsed following the deal's referral to the MMC the supplier has changed its share structure, paid shareholders a special dividend and a one-off distribution from the sale of its share in the National Grid.

According to National Power, these changes meant its original offer was worth about 854p a share on a like-for-like basis.

Lex, Page 16

# Analysts go sweet on food group as it turns in strong interim results ABF beats forecasts to £198m

By Roderick Oram, Consumer Industries Editor

Associated British Foods yesterday beat analysts' forecasts for its interim pre-tax profits thanks to an surge in its retailing businesses and higher profits at British Sugar.

Pre-tax profits rose 14 per cent to £198m (\$300m) on sales up 19 per cent at £2.68bn, but the company warned that second-half growth was unlikely to be as strong.

The strong result and a 55p increase in its net cash to £454m over the past 12 months intensified City speculation about ABF's acquisition plans.

"With shareholder funds of £2.5bn and a cash mountain of £700m by the end of the year, they could do something major league," said Mr David Lang, food analyst with Henderson Crosswhite.

Further investment in food ingredient companies, particularly abroad, were the most likely target.

Mr Garry Weston, executive chairman, has indicated an unwillingness to invest much more in businesses selling directly to British supermarket chains. He believes they exercise too much power over their suppliers.

Operating profits from manufacturing in the 24 weeks to March 2 rose 12 per cent to £147m on sales ahead 23 per cent to £1.97bn. Included was British Sugar, where profits were up £3m at £87m on sales up 2 per cent to £419m. Sugar benefited from devaluation of the green pound and forward buying from customers ahead of a price increase.

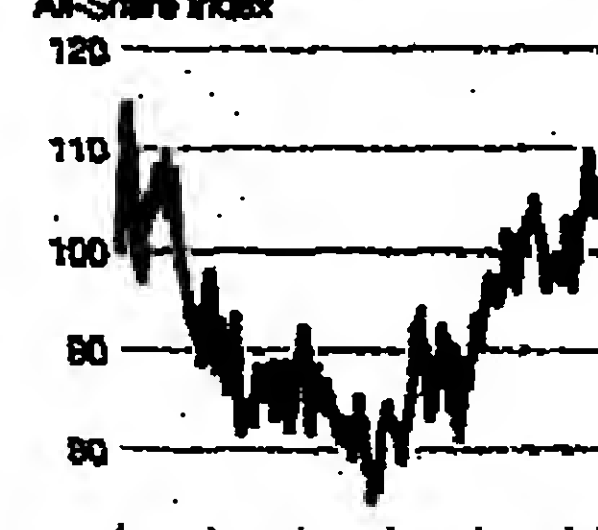
ABF, the UK's largest baker, increased milling and baking profits by 55m on an undisclosed base thanks to a small price increase and improved efficiency.

Profits from retailing rose 55 per cent to £34m. The main factor was an improved performance from Primark, its discount textile retailer. It benefited from a 40 per cent

increase in the number of its UK stores.

## Associated British Foods

Share price relative to the FT-SE-100 All-Share Index



Source: FT Econ

## RESULTS

Company	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current payment (p)	Date of payment	Dividends		
						Corresponding period	Total for year	
Assoc. British Foods	2,678 (2,248)	198 (173)	14.3 (12.8)	4.25	Sept 2	4.25*	8.75*	
Blechn Milling	0,588 (0,515)	0,114 (0,334)	0.51 (0.38)	0.75	Aug 27	0.71	0.71	
Green (America) #	222.3 (252.3)	19.9 (15)	19 (20.4)	8.55	-	8.25	14.875	
SES	422.8 (347.2)	29.3 (18.4)	29.31 (27)	8.6	July 10	9.3	13.1	
Enrolment	286.6 (30.2)	924.9* (386.9*)	- (-)	-	-	-	-	
FB #	12.7 (12.2)	1.07 (1.02)	2.86 (2.45)	0.5	Aug 30	0.4	0.5	
London & Am Prods	30.7 (41.2)	833.4* (818.4)	3.55 (3.71)	-	-	-	-	
President Farms	5.3 (4.5)	1.73 (1.71)	1.87 (1.97)	0.87	Aug 30	0.53	0.72	
Food Executive	538.9 (542.2)	110.9* (59.2*)	57.81 (28.7)	6.2	July 2	5.2	10.8	
Harman	150.2 (115.3)	8.32 (8.39)	11.1 (7.6)	1	July 19	1	2	
British Sugars	24 (23)	4.02 (2.72)	6.49 (5.24)	1.25	July 1	1	1.5	
Investment Trusts	NAV (p)	Attributable Earnings (p)	EPS (p)	Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total for year
Lloyds	5 mths to Mar 31	233.7 (291.5)	1.05 (1.08)	4.42 (4.5)	4	June 7	3.5	10.5
Mercury	5 mths to Mar 31	810.9 (830.5)	3.6 (1.55)	25.36 (10.2)	5	June 20	5	17.5

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. \*Equivalent after allowing for scrip issue. #In foreign currency. After exceptional charge. †After exceptional credit. ‡On increased capital. \*Post tax. \*Comparatives restated. ‡Comparatives for year to March 31

# Organic growth puts WPP ahead

Strong organic growth helped WPP, the advertising and public relations group, increase revenues for the first quarter of 1996 to £390m, a 13 per cent rise. Gross profit also rose by more than 13 per cent.

Virtually none of the revenue growth came from acquisitions: on a like-for-like basis revenues and gross profit rose by 10 per cent.

The fastest growing regional markets were Asia/Pacific, Latin America, Africa and the Middle East, which showed 14 per cent growth and contrib-

uted 18.4 per cent (16 per cent) of group revenue. The North American market also performed above the group average, at 14 per cent, but the UK slowed.

The company warned of "some variability in the pattern of future revenue growth" because of the combination of a lack of the feel-good factor and high levels of unemployment in the slower growing mature economies.

Net debt in the first quarter averaged £156m (£204m). The shares fell 1p to 210p.

UK and European Equities  
travel West

**To the shareholders of Great Nordic Ltd.**

The ANNUAL GENERAL MEETING of the Company will be held on Tuesday May 7, 1996 at 3.30 pm at Industriens Hus, H.C. Andersens Boulevard 18, DK-1596 Copenhagen V.

The Agenda is as follows:

- Report on the Company's activities
- Presentation of the annual financial statements for approval, discharging the Board of Directors and the Executive Management from their obligations
- Resolution for the distribution of the net profit for the year, including the declaration of a dividend on Company shares
- Resolution that the Board be entitled to acquire up to 10 per cent of own shares
- Election of Board members
- Appointment of two auditors for the current financial year.

From Monday April 29, 1996 the agenda and the full and complete resolutions to be proposed at the Annual General Meeting, as well as the financial statements, the Auditors' Report and the Report of Directors, will be available for shareholders' inspection at the Company's registered office on the third floor of Kongens Nytorv 26, 1016 Copenhagen K, and at the Company's bankers in London. Not later than eight days prior to the Annual General Meeting, the above material will also be posted to the registered address of every shareholder on the Company register.

Admission cards to the Annual General Meeting will be available on request from the Company's office from Monday to Friday between 10 am and 4 pm, up to five days prior to the Annual General Meeting, to any shareholder who can prove a good title to his shares. As far as bearer shares are concerned, the shareholder shall prove his title to such shares by presenting a statement of his holding of Company shares as of April 25, 1996 issued by the bank in which his shares are held.

Any right to vote shall be conditional upon the voting share being registered in the name of the shareholder and upon the shareholder being entitled to attend the meeting pursuant to the above-mentioned provisions. Where the shareholder has acquired the share by way of transfer, the share shall additionally have been registered in the name of the shareholder for not less than three months prior to the date of the Annual General Meeting.

Copenhagen, April 22, 1996

The Board of Directors

U.S. \$300,000,000

**Province de Québec**  
Floating Rate Notes Due 2001

Interest Rate: 5.5% per annum

Interest Period: 23rd April 1996 - 23rd October 1996

Interest Amount: \$25,000,000

Issue Date: 19th April 1996

US \$ 25,000,000 (U.S. Dollars)

US \$ 25,000,000 (U.S. Dollars)

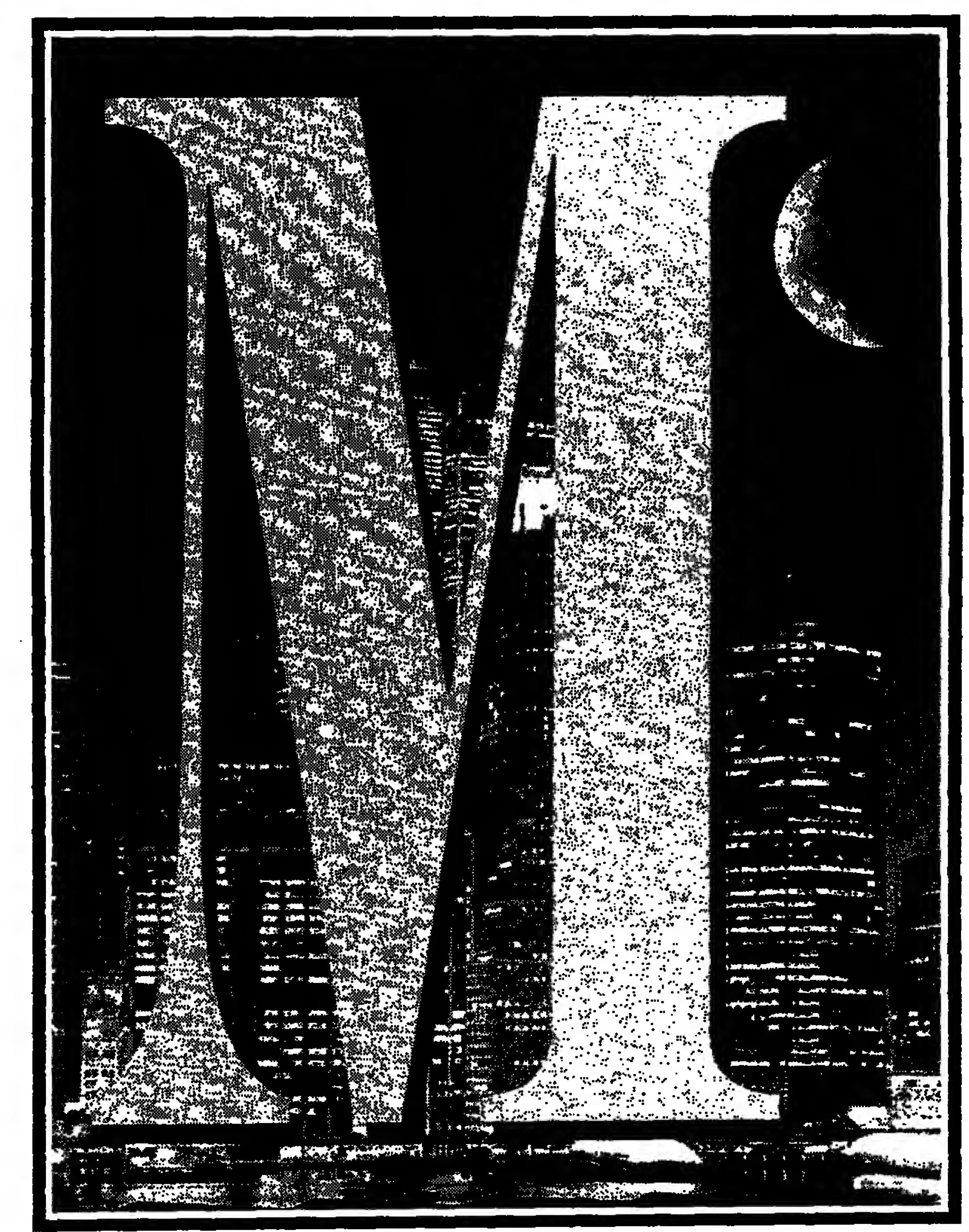
U.S. Trust Bank: Agent

**Notice of Resignation**  
To the Holders of Honda Motor Company, Ltd. U.S. \$50,000,000 5.5% Convertible Bonds due 1997

NOTICE IS HEREBY GIVEN that in compliance with the Conditions of the Bonds, Morgan Guaranty Trust Company of New York, New York has resigned as Paying Agent and Commission Agent.

Such resignation shall become effective as of 20th April, 1996.

By: Honda Motor Company, Ltd.  
Dated: April 23rd, 1996



is for Midnight Oil

We never stop working on our clients' behalf. In 38 cities, in 30 countries, we've one common work ethic. To never be complacent. To never take relationships for granted. And to work until the job is done. To your satisfaction. And ours.

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COMMODITIES AND AGRICULTURE

India releases more cotton for export

By Kunal Bose in Calcutta
The Indian federal government has released a further export quota of 200,000 bales (170kg each) of staple cotton...

should prevent the government from attending to the problems of the cotton growers paved the way for the release of an additional export quota...

over - the federal government considers it wise to release the export quota in stages. Farmers' organisations like the Gujarat State Co-operative Cotton Sangh and the Tamil Nadu Cotton Growers Federation...

Once again, the CAB seems to have been caught on the wrong foot as far as crop forecasting goes. At its February meeting, it estimated the current season's crop at 13.65m bales but a consensus is now developing that India is in the process of harvesting a record crop of nearly 14.5m bales...

Punjab, Maharashtra and Rajasthan are much larger than last year's Gujarat has also done well in terms of crop size. But growers in Gujarat are said to have been hit a wide variation in crop quality.

Unilever in move to save fish stocks

By David Brown in Amsterdam
Unilever, the Anglo-Dutch consumer products group, yesterday announced a plan to phase-out the use of fish oil derived from non-sustainable fishing in European waters...

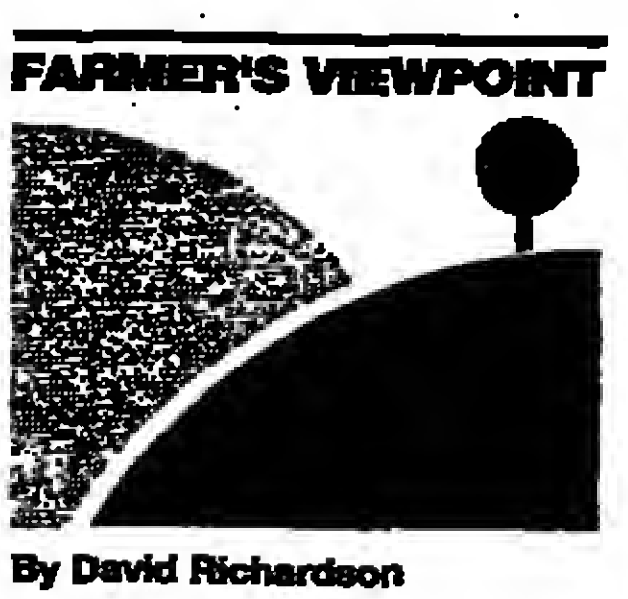
Finance arranged for Argentine mine

By Kenneth Gooding, Mining Correspondent, in El Harbour
The last obstacle facing Argentina's flagship mining project is about to be removed. Tentative agreement has been reached for US\$600m of project finance for the Alumbra copper-gold venture.

a year of copper but also 640,000 troy ounces of gold - making it South America's biggest gold producer. Mr Rath said the banks - which he would not identify at present - were willing to put up funds because Argentina emerged with flying colours from the financial turmoil in South America following the sudden devaluation of the Mexican currency late in 1994.

British pig breeders bring home the bacon
The UK is estimated to supply 7 to 8 per cent of genetically improved animals

The UK may have a few problems convincing the rest of the world of the quality and safety of its beef - which is something of a paradox, because this country is an acknowledged leader in such ethical matters as traceability and animal welfare - but it has a much better story to tell about its pigs.



By David Richardson

breeding females to the world's increasingly specialised pig farmers of about 1.5m head each year. The company's growth has been dramatic. Ten years ago PIC stock represented between 3 and 4 per cent of the Western European market for breeding stock.

of the US market. PIC managers, who a year ago completed the takeover of another highly successful British pig breeding company, NFD, claim that the pigs their stock produce are already delivering economic benefits of between \$5 and \$10 per slaughtered animal, compared with average production from unimproved herds.

has estimated that in 1995 pork's share of the world's meat consumption was 45 per cent; beef had a 26 per cent share but was on a rising trend. The main area for production and consumption of pigmeat is Asia. China alone has 27m sows and, as its economy and population expand at far greater rates than those in the west, so too does its meat buying.

for centuries, been a traditional part of their diet. In any event PIC is setting up offices in those countries, to add to the 30 or so already operating across the world, in an effort to secure a share of the growing market for breeding stock. Other pig breeding companies are doing likewise.

Unilever described its initiative as an outgrowth of its participation in a joint working party with the World Wide Fund for Nature (WWF). The parties are examining options for more sustainable fisheries development and have announced their intent to create a non-profit Marine Stewardship Council by 1998.

Oil prices 'unlikely to rise much' before 2000

By David Lasecilles, Resources Editor
Oil prices are unlikely to rise much before the year 2000 because of escalating production in countries outside the Organisation of Petroleum Exporting Countries, according to the International Energy Agency.

predicts that output from non-Opec countries will rise from 42m barrels a day to 47m in 2000. Much of this growth will come from the North Sea, leaving Opec with spare capacity.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

Table with columns for metal types (Copper, Zinc, Nickel, etc.), prices, and changes. Includes sub-sections for Precious Metals and Energy.

Precious Metals continued

Table showing prices for Gold, Silver, and Platinum in various units.

GRAINS AND OIL SEEDS

Table showing prices for Wheat, Maize, Soybeans, and other grains and oil seeds.

SOFTS

Table showing prices for Cocoa, Coffee, and other soft commodities.

MEAT AND LIVESTOCK

Table showing prices for Live Cattle, Live Hogs, and Pork Bellies.

LONDON TRADED OPTIONS

Table showing option prices for Aluminum, Copper, and other metals.

JOTTER PAD

A grid for a crossword puzzle with numbers indicating starting positions.

CROSSWORD

No.9,050 Set by PROTEUS
ACROSS
1 Ban from underworld drinking place (6)
4 Hides French priest amid muffled sob (8)
9 Trouble caused by under-ground workers to Tory leader (6)
10 Girl who is an acknowledged beauty (8)
11 Bird that may be drunk (6)
12 Racy literary diet for parliamentarians? (8)
13 Tax on vessel (3)
14 Fine when green came round unexpectedly (6)
17 Chap following beat and line (7)
21 Toy children like to eat (6)
22 Small fish first found on railway (3)
23 They may fall for extrusion-ists (8)
24 Supplication making father turn pale perhaps (5)
25 A dress to be variously classified (8)
26 Orits round restaurant (6)
30 Fool with bird (3-5)
31 Boss taking one round work-shop (6)

PRECIOUS METALS

LONDON BULLION MARKET

Table showing prices for Gold, Silver, and Platinum in various units.

UNBLENDED CARBON

Table showing prices for Unblended Carbon in various grades.

FUTURES DATA

Table showing futures data for various commodities.

VOLUME DATA

Table showing volume data for various commodities.

INDICES

Table showing various market indices.

SOLUTION TO SATURDAY'S PRIZE PUZZLE

Solution to Saturday's prize puzzle on Saturday May 4. Solution to yesterday's prize puzzle on Monday May 6.

INTERNATIONAL CAPITAL MARKETS

Italian prices show sharp rise

By Samar Iskandar and Richard Lapper in London and Lisa Branstetter in New York

Italian government bond prices rose sharply on the back of expectations of greater political stability and interest rate cuts following Sunday's election. Other European bond markets, still buoyed by last Thursday's Bundesbank rate cut, also enjoyed a relatively good day, while US Treasuries moved higher in early trading.

Both foreign and domestic investors were heavy buyers of Italian bonds, with short-dated paper in particular demand. Dealers and investors said expectations of interest rate cuts were leading to this steepening of the yield curve, and

GOVERNMENT BONDS

they expected this trend to continue in coming weeks. Trading on Life was active, with more than 86,000 June STP futures contracts changing hands compared with 52,000 lots on Friday.

As the market digested the implications of Sunday's election, the June STP contract surged in morning trading, reaching its day's high of 114.04 around midday. The contract eased back in the afternoon amid profit-taking but settled at 113.67, up 1.94 on the day.

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WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

Table with columns: Country, Coupon, Face, Price, Day's Change, Week Change, Month Change. Includes Australia, Austria, Belgium, Canada, Denmark, France, Germany, Ireland, Italy, Japan, Netherlands, Portugal, Sweden, UK Gilts, US Treasury, ECU, and London closing.

US INTEREST RATES

Table showing Treasury Bills and Bond Yields for 1-month, 3-month, 6-month, 1-year, 2-year, 3-year, 5-year, and 30-year terms.

BOND FUTURES AND OPTIONS

France

Table for French government bond futures and options with columns for Open, Settle, Change, High, Low, Est. vol., Open Int.

Germany

Table for German government bond futures and options with columns for Open, Settle, Change, High, Low, Est. vol., Open Int.

UK Gilts Prices

Table showing UK Gilts prices for various maturities and options, including columns for Name, Yield, Price, and other metrics.

tightening, especially at the shorter end. The 10-year spread is expected to fall in the near term to 350 basis points and possibly to less than 300 points, a level last reached more than two years ago, by the third quarter of the year.

Mr Keith Patton, portfolio manager with Fleming Investment Management, in London, estimates that the three-month spread between Italy and Germany will fall from its present level of around 555 basis points towards 400 points this year.

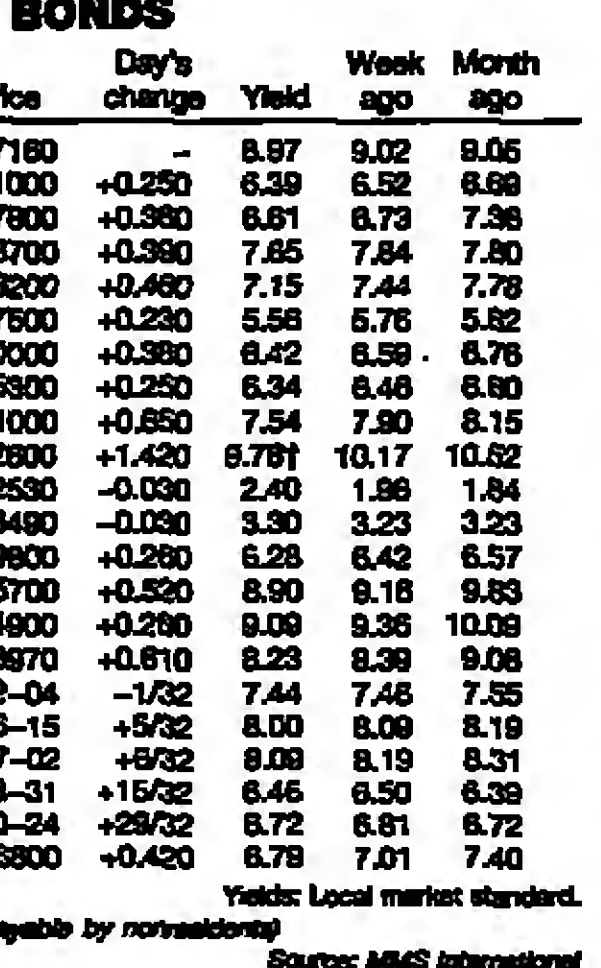
Mr Patton said the "markets could now take politics out of the equation", and concentrate on improving economic fundamentals. The government's ability to reduce its budget deficit was likely to be an immediate focus of market attention, as would be the case in the Spanish and Swedish markets.

Mr Andrew Roberts of UBS said the market had been expecting a strong reaction. "Pre-election uncertainty was weighing on the market. Now the election is out of the way, yields have gone back to reflecting currency stability and a moderate inflation outlook," he said.

Mr Andrew Roberts of UBS said the movement in prices had been driven by a fundamental re-rating of the inflation outlook, a situation that also applied to the Swedish and Spanish markets. Dealers on Life cited recent shifts in options prices as evidence of increasing bullishness.

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Yield spread over Germany



French bonds also performed strongly, with Matif's June notional future ending the session at 123.16, up 0.44. In the cash market OATs outperformed bunds, the 10-year yield spread narrowing by 8 basis points to 8 points. The 7% per cent OAT due 2006 closed at 106, up 0.38.

Short maturities outperformed longer-dated bonds, and the two-year to 10-year spread steepened by 6 basis points. This reflected French banks' decision to lower their base rate yesterday, and expectations that the central bank will cut its intervention rate by 0.10 points at next Thursday's meeting of the monetary policy council.

Overnight gains in European and Asian trading helped push US prices higher from the start of the Wall Street session. Near midday the benchmark 30-year Treasury was 1/8 higher at 90 1/2 to yield 6.719 per cent, while the two-year note was up 1/8 at 100 1/2, yielding 5.885 per cent. At noon, the June Treasury bond future had added 1/8 to 110 1/2.

The curve that maps the yield spread between two-year notes and the long bond flattened by two basis points to 85 basis points amid a modest easing of fears about the emergence of inflationary pressures.

Yesterday's gains marked a second consecutive session of increases on the heels of a series of almost constant losses since the beginning of the month. Some traders said the market was reacting too strongly to this month's stream of modestly stronger economic data and the new supply due this week.

The market shrugged off another increase in the Knight Ridder-Commodity Research Bureau commodity index in early trading, the index advancing 2.63 points to 250.31. This afternoon, the Treasury department is to auction \$12.75bn in two-year notes and tomorrow it is scheduled to sell \$12.5bn in five-year notes.

BUND FUTURES OPTIONS (LIFE) DM250.000 points of 100%

Table for Bund Futures Options (LIFE) with columns for Price, May, Jun, Jul, Sep, High, Low, Est. vol., Open Int.

UK

Table for UK Gilts Futures Options (LIFE) with columns for Price, May, Jun, Jul, Sep, High, Low, Est. vol., Open Int.

Japan

Table for Japanese Government Bond Futures Options (LIFE) with columns for Price, May, Jun, Jul, Sep, High, Low, Est. vol., Open Int.

Other Fixed Interest

Table for various international fixed interest securities with columns for Name, Yield, Price, and other metrics.

Albania grants first investment fund licence

By Marianne Sullivan in Tirana

Albania has granted its first investment fund licence to the Anglo-Adriatic Investment Fund, which is now offering to manage investments both for holders of Albanian privatisation vouchers and strategic international investors and merchant banks in Albania's privatisation process.

Mr Declan Ganley, Anglo-Adriatic's chairman, says the fund, in which Ganley International owns the majority shareholding and Rothschild Emerging Markets 10 per cent, will serve as a catalyst for foreign investment in Albania.

The fund, Mr Ganley says, will offer holders of Albanian privatisation vouchers, which are now traded on the street for some 13.5 per cent of their value, a way to manage their holdings and have more leverage over their investments.

With a reported 16 per cent increase in GDP for 1995, Albania is one of the fastest growing economies in eastern Europe. Mr Ganley says there is much interest in investment in its privatisation process from major foreign investment houses and merchant banks, especially in the areas of electricity, telecommunications, mining and tourism - some of which have yet to be included in the country's privatisation process.

IBCA expands

IBCA, the European credit rating agency, has taken a 75 per cent stake in Quest Insurance Research, a UK-based insurance rating and research company, writes Richard Lapper. IBCA currently rates insurance companies in South Africa but will now provide ratings on the European insurance market.

Expansion of activity in five-year D-Mark sector

By Connor Middleton

The D-Mark sector saw an explosion of activity, culminating in more than DM2bn of new issuance - all of it in the five-year maturity and targeted mainly at retail accounts.

Companhia Energetica de São Paulo, Brazil's largest power station, made its debut in D-Mark with DM1bn of bonds priced to yield 388 basis points over bunds. Investors seemed undaunted by the size of the offering, which saw good demand from retail accounts across Europe, said an official at Commerzbank, joint lead manager with CS First Boston.

Raden-Wertheimberg LP, P-fund, announced Portugal plans to build on the success of its 10-year global French franc offering last year by issuing FF4bn of 12-year bonds today, via Credit Commercial de France and SBC Warburg.

A DM250m issue for Austria came at 35 basis points over Bunds. Although this was a significantly tighter than the

INTERNATIONAL BONDS

equally triple-A rated L-Bank issue, lead manager BZW argued that sovereigns command tighter spreads; that the pricing was the same as a recent World Bank issue; and pointed out that Austria's rarity value was reinforced by the fact that this was its last international bond issue this year.

Despite its aggressive pricing, a DM250m deal for McDonald's yielding 80 basis points over Bunds got a warm reception. "It's a great retail name - people don't just want bank names in their portfolios," said a dealer.

EdF, which bankers say does not have a great need for funds, has turned to the domestic bond market rather than the international market in recent years when it needed to raise funds. Its last foray in the eurobond market was in October 1995 with a DM300m five-year issue.

NEW INTERNATIONAL BOND ISSUES

Table listing new international bond issues with columns: Borrower, Amount, Coupon, Price, Maturity, Fees, Spread, Book-runner.

FT-ACTUARIES FIXED INTEREST INDICES

Table showing fixed interest indices for various maturities (1-30 years) and coupon rates, with columns for Index, Change, and other metrics.

FT/ISMA INTERNATIONAL BOND SERVICE

Table listing international bonds with columns for Issued, Bid, Offer, Cmp, Yield, Spread, and other metrics.

FT/ISMA INTERNATIONAL BOND SERVICE

Large table listing international bonds with columns for Issued, Bid, Offer, Cmp, Yield, Spread, and other metrics.

Alphabetical listing of international bonds with columns for Name, Yield, Price, and other metrics.

CURRENCIES AND MONEY

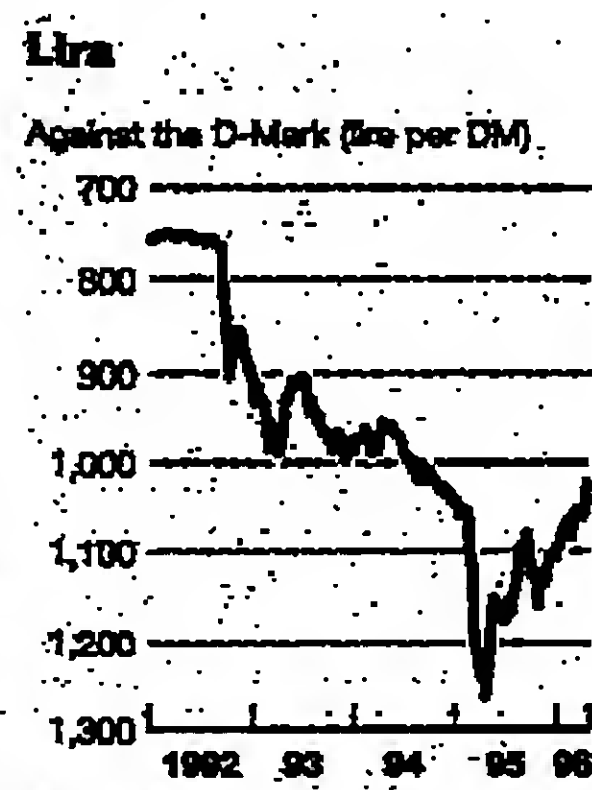
MARKETS REPORT

D-Mark on the ropes as election boosts lira

By Philip Gawth

The combination of dollar friendly comments from G-7 finance ministers meeting in Washington and the victory of the centre-left alliance in the Italian elections was sufficient yesterday to drive the D-Mark to fresh lows on the foreign exchanges. The lira rallied to an 18 month high against the D-Mark, while the French franc and the Swedish krona reached respective 33 and 36 month highs against the beleaguered German currency.

The G-7's comments on exchange rates were in line with market expectations, and stopped short of telling the market to buy dollars, so their impact was limited. Sterling lost ground against the dollar, closing at \$1.513, from \$1.517, but finished higher against the D-Mark at DM2.2816, from DM2.2851.



Source: Datastream

The lira's strong performance was, in the first instance, the product of an election result better than could have been expected. What really galvanised the rally, though, were comments from Mr Romano Prodi, leader of the centre-left alliance, that Italy would "as soon as possible" start negotiations on joining the European exchange rate mechanism.

The US had a much greater incentive to help Japan with its problems than it has with Europe. Yesterday's D-Mark losses occurred despite cautious comments from Mr Hans Tietmeyer, the Bundesbank president, about the likely pace at which German interest rates would fall.

POUND SPOT FORWARD AGAINST THE POUND

Table with columns for Country, Currency, Bid/offer, High, Low, One month, Three months, One year, and Bank of London Index.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table with columns for Country, Currency, Bid/offer, High, Low, One month, Three months, One year, and J.P. Morgan Index.

OTHER CURRENCIES

Table with columns for Country, Currency, Bid, Offer, High, Low, and Bank of London Index.

WORLD INTEREST RATES

Table with columns for Country, Over-night, One month, Three months, Six months, One year, Lomb. rate, and Repo rate.

EURO CURRENCY INTEREST RATES

Table with columns for Country, Currency, Bid, Offer, High, Low, and Bank of London Index.

CROSS RATES AND DERIVATIVES

Table with columns for Country, Currency, Bid, Offer, High, Low, and Bank of London Index.

EMU EUROPEAN CURRENCY UNIT RATES

Table with columns for Country, Currency, Bid, Offer, High, Low, and Bank of London Index.

EUROPEAN CURRENCY UNIT RATES

Table with columns for Country, Currency, Bid, Offer, High, Low, and Bank of London Index.

D-MARK FUTURES (MM) DM 125,000 per DM

Table with columns for Open, Latest, Change, High, Low, Est. vol, and Open int.

JAPANESE YEN FUTURES (MM) Yen 12.5 per Yen 100

Table with columns for Open, Latest, Change, High, Low, Est. vol, and Open int.

STERLING FUTURES (MM) £25,000 per £

Table with columns for Open, Latest, Change, High, Low, Est. vol, and Open int.

BASE LENDING RATES

Table with columns for Bank Name and Rate.

UK INTEREST RATES

Table with columns for Term, Rate, and Bank Name.

THREE MONTH STERLING FUTURES (LFFE) £500,000 points of 100%

Table with columns for Open, Latest, Change, High, Low, Est. vol, and Open int.

LONDON MONEY RATES

Table with columns for Currency, Bid, Offer, High, Low, and Bank of London Index.

MARGINED CURRENCY DEALING

Advertisement for Laurion, featuring contact information and services like flexible managed accounts and limited liability guarantees.

THE TOP OPPORTUNITIES SECTION

Advertisement for The Top Opportunities Section, offering senior management positions and contact information for Robert Hunt.

THREE MONTH EURO DOLLAR (MM) \$1m points of 100%

Table with columns for Open, Latest, Change, High, Low, Est. vol, and Open int.

THREE MONTH EURO SWISS (LFFE) Sfr 1m points of 100%

Table with columns for Open, Latest, Change, High, Low, Est. vol, and Open int.

Large advertisement for Liffe's Three Month ECU Future, describing it as 'The European hedge' and listing designated market makers like HSBC and UBS.



LONDON SHARE SERVICE

IRV TRUSTS SPLIT CAPITAL - Cont.

Table listing various Irv Trusts split capital investments with columns for company name, price, and other financial data.

LEISURE & HOTELS - Cont.

Table listing Leisure & Hotels companies including hotels, resorts, and leisure services.

OTHER FINANCIAL - Cont.

Table listing Other Financial companies such as insurance, investment, and financial services.

PROPERTY - Cont.

Table listing Property companies including real estate, development, and management firms.

SUPPORT SERVICES - Cont.

Table listing Support Services companies including business services, logistics, and IT.

AM - Cont.

Table listing American companies (AM) with their respective stock prices.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts and their performance metrics.

INVESTMENT COMPANIES

Table listing investment companies and their market positions.

LEISURE & HOTELS

Table listing leisure and hotel companies.

LIFE ASSURANCE

Table listing life assurance companies.

MEDIA

Table listing media companies including publishers and broadcasters.

OIL INTEGRATED

Table listing oil integrated companies.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies.

PHARMACEUTICALS

Table listing pharmaceutical companies.

PHARMACEUTICALS - Cont.

Table listing pharmaceutical companies (continued).

PROPERTY

Table listing property companies.

OTHER FINANCIAL

Table listing other financial companies.

RETAILERS, FOOD

Table listing food retailers.

RETAILERS, GENERAL

Table listing general retailers.

RETAILERS, GENERAL - Cont.

Table listing general retailers (continued).

SUPPORT SERVICES

Table listing support services companies.

AIM

Table listing companies on the Alternative Investment Market (AIM).

TELECOMMUNICATIONS

Table listing telecommunications companies.

TEXTILES & APPAREL

Table listing textiles and apparel companies.

TOBACCO

Table listing tobacco companies.

TRANSPORT

Table listing transport companies.

WATER

Table listing water companies.

AMERICANS

Table listing American companies.

CANADIANS

Table listing Canadian companies.

SOUTH AFRICANS

Table listing South African companies.

Advertisement for CMG (Creating shared success.) featuring the text 'YOU'D BE MUCH BETTER OFF IF WE PAID YOUR STAFF.' and details about their payroll services.

GUIDE TO LONDON SHARE SERVICE

Guide to London Share Service: Prices for the London Share Service delivered by FT... Includes instructions on how to use the service and contact information.

Profit

Telecom

242

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Table listing Bermuda funds including Fidelity Currency Funds Ltd, Fidelity International Growth Fund, and others with columns for fund name, price, and change.

BERMUDA (REGULATED)\*\*

Table listing Bermuda regulated funds including Bermuda Investment Fund, Bermuda Growth Fund, and others with columns for fund name, price, and change.

GUERNSEY (SIB RECOGNISED)

Table listing Guernsey funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others with columns for fund name, price, and change.

IRELAND (SIB RECOGNISED)

Table listing Ireland funds including AIS Fund Management Ltd, AIS Growth Fund, and others with columns for fund name, price, and change.

IRELAND (REGULATED)\*\*

Table listing Ireland regulated funds including AIS Fund Management Ltd, AIS Growth Fund, and others with columns for fund name, price, and change.

ROYAL Bk of Canada US Fd Mgrs Ltd - Contd.

Table listing Royal Bank of Canada US Fund Managers Ltd funds including Canadian Growth Fund, Canadian Income Fund, and others.

GUERNSEY (REGULATED)\*\*

Table listing Guernsey regulated funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

GUERNSEY (SIB RECOGNISED)

Table listing Guernsey SIB recognised funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

IRELAND (SIB RECOGNISED)

Table listing Ireland SIB recognised funds including AIS Fund Management Ltd, AIS Growth Fund, and others.

IRELAND (REGULATED)\*\*

Table listing Ireland regulated funds including AIS Fund Management Ltd, AIS Growth Fund, and others.

LET Asset Management Ltd

Table listing LET Asset Management Ltd funds including LET Growth Fund, LET Income Fund, and others.

IRELAND (SIB RECOGNISED)

Table listing Ireland SIB recognised funds including AIS Fund Management Ltd, AIS Growth Fund, and others.

IRELAND (REGULATED)\*\*

Table listing Ireland regulated funds including AIS Fund Management Ltd, AIS Growth Fund, and others.

IRELAND (SIB RECOGNISED)

Table listing Ireland SIB recognised funds including AIS Fund Management Ltd, AIS Growth Fund, and others.

IRELAND (REGULATED)\*\*

Table listing Ireland regulated funds including AIS Fund Management Ltd, AIS Growth Fund, and others.

Dalton Europe Fund Mgrs Ireland Ltd - Contd.

Table listing Dalton Europe Fund Managers Ireland Ltd funds including Dalton Growth Fund, Dalton Income Fund, and others.

ISLE OF MAN (SIB RECOGNISED)

Table listing Isle of Man SIB recognised funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

ISLE OF MAN (REGULATED)\*\*

Table listing Isle of Man regulated funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

ISLE OF MAN (SIB RECOGNISED)

Table listing Isle of Man SIB recognised funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

ISLE OF MAN (REGULATED)\*\*

Table listing Isle of Man regulated funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

Mercury Fund Managers Ltd

Table listing Mercury Fund Managers Ltd funds including Mercury Growth Fund, Mercury Income Fund, and others.

ISLE OF MAN (SIB RECOGNISED)

Table listing Isle of Man SIB recognised funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

ISLE OF MAN (REGULATED)\*\*

Table listing Isle of Man regulated funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

ISLE OF MAN (SIB RECOGNISED)

Table listing Isle of Man SIB recognised funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

ISLE OF MAN (REGULATED)\*\*

Table listing Isle of Man regulated funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

WYSECO International Limited - Contd.

Table listing Wyseco International Limited funds including Wyseco Growth Fund, Wyseco Income Fund, and others.

ISLE OF MAN (SIB RECOGNISED)

Table listing Isle of Man SIB recognised funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

ISLE OF MAN (REGULATED)\*\*

Table listing Isle of Man regulated funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

ISLE OF MAN (SIB RECOGNISED)

Table listing Isle of Man SIB recognised funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

ISLE OF MAN (REGULATED)\*\*

Table listing Isle of Man regulated funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

Fidelity Funds (SIB RECOGNISED)

Table listing Fidelity Funds (SIB recognised) including Fidelity Growth Fund, Fidelity Income Fund, and others.

ISLE OF MAN (SIB RECOGNISED)

Table listing Isle of Man SIB recognised funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

ISLE OF MAN (REGULATED)\*\*

Table listing Isle of Man regulated funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

ISLE OF MAN (SIB RECOGNISED)

Table listing Isle of Man SIB recognised funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

ISLE OF MAN (REGULATED)\*\*

Table listing Isle of Man regulated funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

S-C-Bank Luxembourg SA - Contd.

Table listing S-C-Bank Luxembourg SA funds including S-C-Bank Growth Fund, S-C-Bank Income Fund, and others.

ISLE OF MAN (SIB RECOGNISED)

Table listing Isle of Man SIB recognised funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

ISLE OF MAN (REGULATED)\*\*

Table listing Isle of Man regulated funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

ISLE OF MAN (SIB RECOGNISED)

Table listing Isle of Man SIB recognised funds including AIS Investment Managers (Guernsey) Ltd, AIS Growth Fund, and others.

ISLE OF MAN (REGULATED)\*\*

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سكنا من الراجل

FT MANAGED FUNDS SERVICE

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Profit  
share

Table of fund prices and performance metrics, including columns for fund name, price, and change.

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Table of fund prices and performance metrics, including columns for fund name, price, and change.

OTHER OFFSHORE FUNDS

OFFSHORE INSURANCES

Table of offshore insurance products and their details.

MANAGED FUNDS NOTES
Prices are in pence unless otherwise stated and those...
FT Cityline Unit Trust Prices are available over the telephone...

242

LONDON STOCK EXCHANGE

MARKET REPORT

Footsie dips but Mid 250 index hits another high

By Steve Thompson, UK Stock Market Editor

An element of anti-climax was plainly evident in the UK equity market yesterday, with the leaders tending to drift back in spite of another bid in the utilities sector.

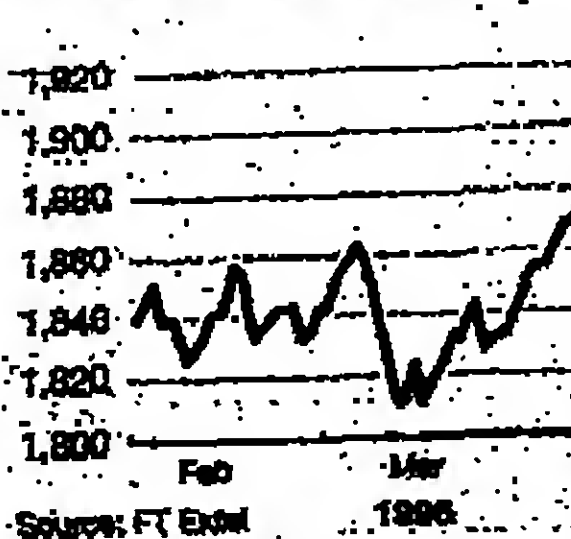
talk, but today the institutions decided to sit back," was the view of one dealer. Others pointed to the absence yesterday of any of the frantic programme trading activity that was one of the features of last week. They said there had been a marked slowdown in the amount of new money being pumped into the market via unit trusts and investment trusts.

The FT-SE 100 closed 4.4 lower at 3,852.7 after the quietest day for some time. Turnover at the 6pm reading was 695.9m shares, well down from recent levels.

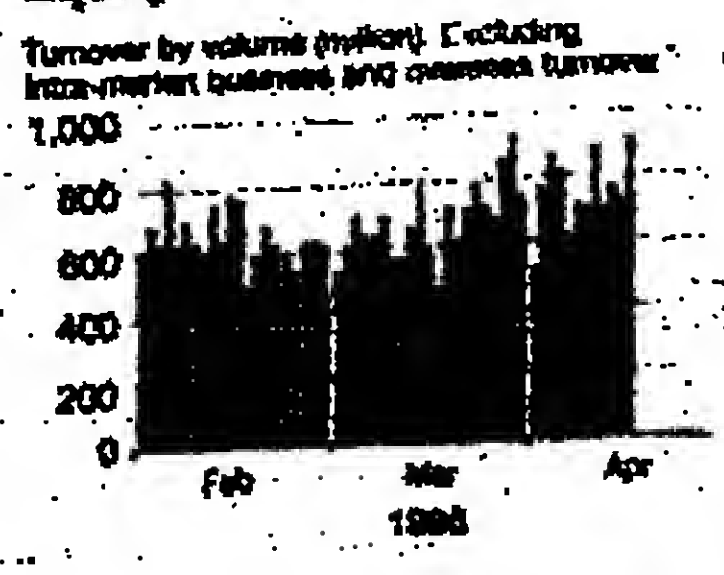
points lower, in the wake of the disappointing performance by Wall Street on Friday. After sliding almost 10 points in the first hour of trading, the Footsie began to claw its way back, eventually moving into positive ground shortly after Wall Street opened.

Outside of the utilities, Asda delivered the best performance among the Footsie stocks; the company has been giving a round of presentations to institutions.

FT-SE-AI-Share Index



Equity shares traded



Indices and ratios

Table with 2 columns: Index Name and Value. Includes FT-SE 100 (3852.7), FT-SE Mid 250 (4544.1), FT-SE-AI-Share (1944.4), and FT-SE-AI-Share yield (3.87).

FT Ordinary Index

Table with 2 columns: Index Name and Value. Includes FT Ordinary Index (2880.1), FT-SE Non Fin p/e (17.63), FT-SE 100 P/E (15.50), and Long g/y yield (7.99).

Best performing sectors

Table with 2 columns: Sector and Change. Includes Electricity (+2.5), Water (+1.2), Household Goods (+1.0), and Tobacco (+0.8).

Worst performing sectors

Table with 2 columns: Sector and Change. Includes Textiles & Apparel (-1.3), Media (-0.8), and Pharmaceuticals (-0.7).

Power bid lifts sector

It was perhaps inevitable that Southern Electric would record the day's best performance in the Footsie following the news that National Power had renewed its interest in the distributor with a £2.5bn agreed takeover bid.

the general euphoria in the sector and shares in the group hardened 4 to 198 1/2p. With Southern Electric now off the list of bid targets, investors' attention turned to London Electricity, sending the group's shares sharply forward by near to 5 per cent in very solid trading volume.

Most transport teams adjusted their estimates for the current year. UBS raised loss forecasts by 53m to 2850m. The shares retreated 4 1/2 to 63p.

among those that was cheered by the figures and she raised her profits estimates for the current year by 21m to 545m. The shares fell 13 to 49 1/2p on reports of a product recall in the Netherlands for its dry cat food.

in 2.8m traded, the second worst Footsie performance. RMC added 21 to 107p. International conglomerate Hanson was well dealt both in the cash market and stock options pits. The shares hardened to 200 1/2p in 10m traded.

One trader said yesterday: "We expected National Power would do something but no one expected it to make this kind of move before the Department of Trade and Industry (DTI) report into such a bid. We are waiting to see if the Americans will up the pace by launching their own bid for NP."

ABN Amro Hoare Govett set the tone, moving Reed International from buy to hold. Reed, Reuters, BSkyB and Carlton Communications all took a tumble as investors deemed it opportune to take profits.

News of an acquisition by London International Group was well received by the market. The shares fell 13 to 49 1/2p on reports of a product recall in the Netherlands for its dry cat food.

Among the leisure stocks one of the best performers was Euro Disney, up 11 to 205p, after positive interim results.

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The National Grid joined in

Reuters was 12 lower at 782p.

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NATIONAL COUNCIL FOR THE MODERNIZATION OF THE STATES Quito-Ecuador. SUMMONS FOR EXPRESSIONS OF INTEREST FOR THE PRIVATIZATION OF THE RAIL ROAD SECTOR IN ECUADOR. The Government of Ecuador has initiated the process of modernizing the Rail Road state-owned enterprise, under a reform program financed by the IDB.

CREDIT NATIONAL FRF 600,000,000 3.40% BONDS DUE 2003 with coupon reinvestment option. Common Code: 3651355. According to the terms and conditions of the Bonds, notice is hereby given that 577 supplementary Bonds have been created upon exchange against Coupons on account of payment of interest.

DEPARTEMENT DE LA GUADELOUPE FRF 56,000,000 TAUX VARIABLE ECHANGE 2000 ISM CODE: X300036/658008. For the period April 19, 1996 to October 21, 1996 the new rate has been fixed at 5.1679% p.a.

VOLKSWAGEN AG Wolfsburg. Publication in accordance with § 41 Sec. 3 and 4 WpHG (German securities trading act). Hannoverische Beteiligungsgesellschaft mbH, Hanover, has informed us that as at 1 January 1995 it was in possession of 19.9259% of the voting rights in our Company.

The Financial Times plans to publish a Survey on Jersey, C.I. on Wednesday, May 22. This survey will be an overview of Jersey, providing a comprehensive analysis of the economic and political situation, together with in-depth comment on key areas such as manufacturing, off-shore business and tourism.

Wolfsburg, April 12, 1996 The Board of Management

Patricia O'Leary Tel: 0171 673 3472 Fax: 0171 673 3204 FT Surveys

FUTURES AND OPTIONS

FT-SE 100 INDEX FUTURES (LIFFE) C25 per full index point

Table with 4 columns: Date, Open, Settle, Change. Includes Jun 3852.5, Sep 3875.0, Dec 3875.0.

FT-SE MID 250 INDEX FUTURES (LIFFE) E10 per full index point

Table with 4 columns: Date, Open, Settle, Change. Includes Jun 4550.0.

FT-SE 100 INDEX OPTION (LIFFE) C25 per full index point

Table with 4 columns: Date, Open, Settle, Change. Includes May 1995, Jun 1995, Jul 1995.

EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) E10 per full index point

Table with 4 columns: Date, Open, Settle, Change. Includes May 1995, Jun 1995, Jul 1995.

MARKET REPORTERS

Jeffrey Brown, Lisa Wood, Joel Kibzabo.

LONDON RECENT ISSUES: EQUITIES

Table with 4 columns: Issue Name, Price, Change, Volume. Includes British Gas, British Telecom, British Airways.

FT GOLD MINES INDEX

Table with 4 columns: Index Name, Price, Change, Volume. Includes Gold Mines Index.

FT-SE Actuaries Share Indices

Table with 4 columns: Index Name, Price, Change, Volume. Includes FT-SE 100, FT-SE Mid 250, FT-SE-AI-Share.

The UK Series

Large table with 4 columns: Index Name, Price, Change, Volume. Lists various industry and sector indices like FT-SE 100, FT-SE Mid 250, FT-SE-AI-Share, and various industry-specific indices.

TRADING VOLUME

Major Stocks Yesterday

Table with 4 columns: Stock Name, Price, Change, Volume. Lists major stocks like British Gas, British Telecom, British Airways, and others.

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WORLD STOCK MARKETS

Main table containing stock market data for various regions including Europe, Americas, Asia, Africa, and Oceania. Includes columns for stock names, prices, and changes.

Rockwell supplies virtually every European car manufacturer with automotive components and systems. Rockwell logo.

INDICES table with columns for index names, dates, and values.

US INDICES table with columns for index names, dates, and values.

Table with columns for various financial ratios and stock prices.

Table with columns for stock names and prices.

Table with columns for stock names and prices.

Footnote and disclaimer text at the bottom of the page.

4 pm close April 22

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Symbol	Price	% Chg	Symbol	Price	% Chg
1000	100.00		1000	100.00	
1001	100.00		1001	100.00	
1002	100.00		1002	100.00	
1003	100.00		1003	100.00	
1004	100.00		1004	100.00	
1005	100.00		1005	100.00	
1006	100.00		1006	100.00	
1007	100.00		1007	100.00	
1008	100.00		1008	100.00	
1009	100.00		1009	100.00	
1010	100.00		1010	100.00	
1011	100.00		1011	100.00	
1012	100.00		1012	100.00	
1013	100.00		1013	100.00	
1014	100.00		1014	100.00	
1015	100.00		1015	100.00	
1016	100.00		1016	100.00	
1017	100.00		1017	100.00	
1018	100.00		1018	100.00	
1019	100.00		1019	100.00	
1020	100.00		1020	100.00	
1021	100.00		1021	100.00	
1022	100.00		1022	100.00	
1023	100.00		1023	100.00	
1024	100.00		1024	100.00	
1025	100.00		1025	100.00	
1026	100.00		1026	100.00	
1027	100.00		1027	100.00	
1028	100.00		1028	100.00	
1029	100.00		1029	100.00	
1030	100.00		1030	100.00	
1031	100.00		1031	100.00	
1032	100.00		1032	100.00	
1033	100.00		1033	100.00	
1034	100.00		1034	100.00	
1035	100.00		1035	100.00	
1036	100.00		1036	100.00	
1037	100.00		1037	100.00	
1038	100.00		1038	100.00	
1039	100.00		1039	100.00	
1040	100.00		1040	100.00	
1041	100.00		1041	100.00	
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1050	100.00		1050	100.00	
1051	100.00		1051	100.00	
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1074	100.00		1074	100.00	
1075	100.00		1075	100.00	
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1077	100.00		1077	100.00	
1078	100.00		1078	100.00	
1079	100.00		1079	100.00	
1080	100.00		1080	100.00	
1081	100.00		1081	100.00	
1082	100.00		1082	100.00	
1083	100.00		1083	100.00	
1084	100.00		1084	100.00	
1085	100.00		1085	100.00	
1086	100.00		1086	100.00	
1087	100.00		1087	100.00	
1088	100.00		1088	100.00	
1089	100.00		1089	100.00	
1090	100.00		1090	100.00	
1091	100.00		1091	100.00	
1092	100.00		1092	100.00	
1093	100.00		1093	100.00	
1094	100.00		1094	100.00	
1095	100.00		1095	100.00	
1096	100.00		1096	100.00	
1097	100.00		1097	100.00	
1098	100.00		1098	100.00	
1099	100.00		1099	100.00	
1100	100.00		1100	100.00	

**Race to Market**

If the business decisions are yours, the computer system should be ours.

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**HEWLETT PACKARD**

سكوا من الامل

Continued on next page

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NYSE COMPOSITE PRICES

Table of NYSE Composite Prices with columns for Stock, P/E, High, Low, Change, and Volume. Includes sub-sections for 'Continued from previous page', 'T', 'U', and 'X-Y-Z'.

NASDAQ NATIONAL MARKET

Table of NASDAQ National Market with columns for Stock, P/E, High, Low, Change, and Volume. Includes sub-sections for 'Continued from previous page', 'L', 'M', 'N', 'O', 'P', 'Q', 'R', 'S', 'T', 'U', 'V', 'W', 'X', 'Y', 'Z'.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices with columns for Stock, P/E, High, Low, Change, and Volume. Includes sub-sections for 'Continued from previous page', 'A', 'B', 'C', 'D', 'E', 'F', 'G', 'H', 'I', 'J', 'K', 'L', 'M', 'N', 'O', 'P', 'Q', 'R', 'S', 'T', 'U', 'V', 'W', 'X', 'Y', 'Z'.

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AMERICA

Dow climbs on Olive Tree election victory drives Milan up 4% merger and earnings news

Wall Street

Merger activity, a spate of healthy earnings reports and stronger bond prices combined to help US shares advance in midsession trading...

Those losses brought the Dow off its high for the session, but at 1 pm it was still 31.07 stronger at 5,566.55. The Standard & Poor's 500 rose 4.23 to 649.30...

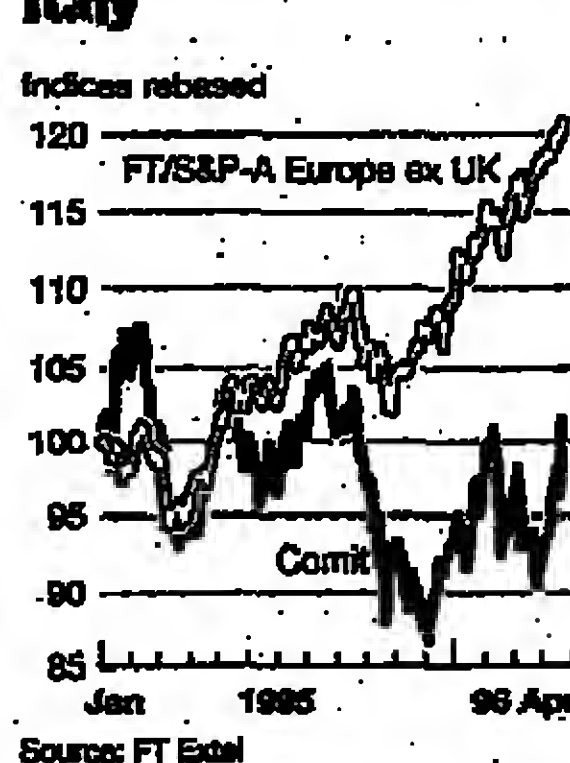
Lima rises by 3%

Lima jumped more than 3 per cent in early trade on a wave of buying by local and foreign investors...

EUROPE

Italy

The unexpected margin of victory of the centre-left Olive Tree coalition in Sunday's general election provided the market with its preferred outcome...



FTSE-100 Europe ex UK index

The Comit index rose 25.87 to 645.81 and the real-time Mibtel index jumped 490 to 10,422. Turnover was around L1,650bn as strong demand was reported from London and the US.

ASIA PACIFIC

Nikkei breaches 22,000 level to end at four-year high

Tokyo

Purchases by pension funds, and the expectation of demand from investment trusts later in the week, boosted investor confidence...

of Tokyo Mitsubishi gained Y80 at Y2,400 and Fuji Bank Y80 at Y2,340. Yasuda Trust and Banking closed Y6 up at Y678...

FT-SE Actuaries Share Indices

and bonds. The index made 9.99 to 2,545.91 and the bias went to 2,549.27. Dealers said investors were feeling positive after last week's rate cut.

THE EUROPEAN SERIES

Table with columns for Hourly changes, Open, 10.30, 11.00, 12.00, 13.00, 14.00, 15.00, Close. Rows include FT-SE Europe 100, FT-SE Europe 200, and FT-SE Europe 500.

Philips, which said it planned to list ADBs for its Taiwan semiconductor division on Wall Street, ended 10 cents lower at Ft 61.30...

for marketing in the US. STOCKHOLM advanced to a record high as bond yields fell, the local currency strengthened and Astra recovered after recent losses.

STOCKHOLM

STOCKHOLM advanced to a record high as bond yields fell, the local currency strengthened and Astra recovered after recent losses. The Astra-Variden index rose 26.4 to 1,949.5.

Roundup

Reports that foreign funds may issue warrants on steel and China-concept shares, stocks that reflect companies which have investments or investment plans in China, propelled TAIFEX sharply higher.

South Africa at new peak

The overall index moved to a record close in brisk trading on blue-chip buying as a steady ramd triggered renewed confidence. Dealers said domestic institutions dominated trade, while foreigners put good orders into the market after a cautious start.

South Africa at new peak

The overall index climbed through the 7,000 mark for the first time, ending 97.5 higher at 7,070.2. Shortly before the close industrial shares slipped from their peak, but this still left the index 134.2 stronger at 8,610.5.

MARKETS IN PERSPECTIVE

Table showing % change in local currency and % change in US \$ for various countries including Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, UK, and EUROPE.

FT/S&P ACTUARIES WORLD INDICES

Table with columns for NATIONAL AND REGIONAL MARKETS, US Dollar Index, and various regional indices like Australia, Austria, Belgium, Brazil, Canada, Denmark, France, Germany, Hong Kong, India, Italy, Japan, Korea, Malaysia, Mexico, New Zealand, Norway, Singapore, South Africa, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, USA, and World.

Advertisement for WestMerchant International Investment Banking, featuring a large image of a globe and contact information for various cities.

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